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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

ACCOUNTING AND REPORTING REQUIREMENTS FOR OIL PIPELINE COMPANIES

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FOREWORD

This booklet contains the Parts of the Code of Federal Regulations (CFR) under Title 49, Transportation, Chapter X, Interstate Commerce Commission in effect as of October 1, 1977, that are applicable to pipeline companies. It is not a formal publication of these regulations, but has been compiled from the three volumes covering Chapter X into a single booklet to be used only as a working copy.

It should be noted that on October 6, 1977, the regulatory responsibility for the aforementioned Parts was transferred from the Interstate Commerce Commission (ICC) to the Federal Energy Regulatory Commission (FERC) in Order No. 1 (Docket No. RM78-1). Consequently, the following points should be taken into consideration when using this booklet:

1) references to the Interstate Commerce Commission, Washington, D. C. 20423 should be amended to read Federal Energy Regulatory Commission, 825 North Capitol Street, N. E., Washington, D. C. 20426;
2) references to the "Commission" are to the FERC, not to the ICC;
3) references to the Bureau of Accounts, Interstate Commerce Commission, Washington, D. C. 20423 should be amended to read Chief Accountant, Federal Energy Regulatory Commission, 825 North Capitol Street, N. E., Washington, D. C. 20426, unless otherwise directed by the FERC.

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Title 49—Transportation

SUBTITLE B—OTHER REGULATIONS RELATING TO TRANSPORTATION:

CHAPTER X—Interstate Commerce Commission

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

PART 1002—FEES

§ 1002.2 Filing fees.

(a) *Manner of payment.* All filing fees will be payable at the time and place the application, petition, notice, tariff, contract, or other document is tendered for filing. Fees will be payable to the Interstate Commerce Commission by check drawn upon funds deposited in a bank in the United States or money order payable in U.S. currency.

(b) *Fees not refundable.* Fees will be assessed for every filing in the types of proceedings listed in the schedule of fees contained in paragraph (d) of this section. After the application, petition, notice, tariff, contract, or other document has been accepted for filing by the Commission, the filing fee will not be refunded, regardless of whether the application, petition, notice, tariff, contract, or other document is granted or approved, denied, dismissed, or withdrawn. If an application, petition, notice, tariff, contract, or other document is rejected by the Commission as incomplete or for some other reason, the fee will be returned.

(c) *Related or consolidated proceedings.* (1) Separate fees need not be paid on related applications filed by the same applicant which would be the subject of one proceeding, such as a single petition for modification of more than one certificate or permit held by the same person; a related plan of track relocation, joint use, purchase of trackage rights, and issuance of securities; a section 5 motor common carrier acquisition application combined with a related section 207 application for a certificate of public convenience and necessity; or the like. In such instances, the only fee to be assessed will be that applicable to the embraced proceeding which carries the highest filing fee as listed in paragraph (d) of this section; except that, directly related applications involving a transfer under section 206(a)(6) or section 212(b), and an application on Form OP-OR-9 for gateway elimination and/or a conversion, the sole fee shall be the basic fee for the transfer application.

(2) Separate fees will be assessed for the filing of temporary authority applications as provided in paragraph (d)(6) of this section, regardless of whether such applications are related to an application for corresponding permanent authority.

(3) The Commission may reject concurrently filed applications, petitions, notices, contracts, or other documents asserted to be related and refund the filing fee if, in its judgment, they embrace two or more severable matters which should be the subject of separate proceedings.

(d) *Schedule of filing fees.*[1]

TYPE OF PROCEEDING	FEE
APPLICATIONS TO ENTER UPON A PARTICULAR FINANCIAL TRANSACTION OR JOINT ARRANGEMENT	
1 An application for the pooling or division of traffic. Section 5(1)	$100
2 An application of two or more carriers to consolidate or merge their properties or franchises, or any part thereof, into one corporation for the ownership, management, and operation of the properties theretofore in separate ownership. Section 5(2)	700
3 An application for approval of, or to amend, a rate association agreement. Section 5a	300
OTHER PROCEEDINGS	
4 An application for relief from the long-and-short-haul and aggregate-of-intermediate provisions, including applications for relief with respect to additional commodities, origins or destinations, but not including petitions for modification of conditions, effective or not yet effective of outstanding orders, or amendments to applications not yet disposed of. Section 4	250
5 An application for authority to establish released value rates or ratings, except that no fee will be assessed for applications seeking such authority in connection with reduced rates established to relieve distress caused by drought or other calamitous visitation under section 22(1) of the act. Sections 20(11), 219, 413	200
6 An application for special permission for short notice or the waiver of tariff-publishing requirements, including applications to extend or eliminate the scheduled expiration date of an outstanding special permission or to broaden the application thereof to additional territory or tariffs, except amendments to pending applications not yet disposed of, and applications to postpone the effectiveness of suspended schedules, when carrier or agent is requested to do so, in order to afford the Commission more time for disposition of the proceeding or to postpone	

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[1] Except as noted, statutory references are to the Interstate Commerce Act.

the scheduled effective date of protested schedules or those for which a fourth-section application has been filed, in order to afford the boards more time within which to process the protests or applications 20

7 Application for basic (original) valuation of a pipeline carrier's operating property. Section 19a .... 10/hr.

8 Application for each annual valuation of a pipeline carrier's operating property as of the close of any calendar year following the carrier's basic valuation. Section 19a. ....

The following fees are based on the carrier's size:

Cost of reproduction (millions)	*Fee*
Under 10	$50
10-29.9	200
30-49.9	500
50-74.9	700
75-99.9	1,000
100-14.9	1,300
150-199.9	1,850
200-299.9	2,500
Over 300	4,300

PART 1010—COMPETITIVE BIDS

Sec.
1010.1 Specifications, form of proposal and contract; publication of request for bids; variation from the generally applicable procedure.
1010.2 Opening of bids; bonds; form and contents of bids.
1010.3 Considerations for acceptance of bids; rejection; readvertising for new bids.
1010.4 Statement of the transaction.
1010.5 Examination.
1010.7 Carriers subject to the Interstate Commerce Act.

AUTHORITY: Sec. 10, 38 Stat. 734; 15 U.S.C. 20, unless otherwise noted.

SOURCE: 32 FR 20013, Dec. 20, 1967, unless otherwise noted.

§ 1010.1 Specifications, form of proposal and contract; publication of request for bids; variation from the generally applicable procedure.

(a) When any carrier, subject to the Interstate Commerce Act, is required by section 10 of the Clayton Antitrust Act (38 Stat. 734; 15 U.S.C. 20) to call for bids for securities, supplies, or other articles of commerce, or for the construction or maintenance of any kind or part of its carrier property such carrier shall prepare specifications, form of proposals and contract, setting forth clearly and so far as applicable in each case in detail a description or descriptions of the matters and things for which bids are requested, the terms, times and conditions of delivery and payment, the place or places where delivery or performance is to be made, the character, amount, and terms of securities offered or sought, and a full description of the supplies or other articles required or offered for sale, hypothecation, or purchase, and shall make and attach to such specifications such maps, drawings, and illustrations and state such other substantial facts or conditions as are or may be necessary to a full understanding of the premises and procedure by bidders. Such specifications, drawings and illustrations in each case shall be kept open at the principal office or offices of the carrier for full examination, free of charges, by persons desiring to examine the same with a view to bidding, and, upon request, such carrier shall furnish to any person or persons desiring the same true and accurate copies of such specifications, maps, drawings and illustrations; *Provided*, That the carrier may make a charge for such copies so furnished, the charge not to exceed the reasonable cost of making and forwarding the copies requested.

(b) The carrier shall publish in each case a request for bids in at least two daily newspapers of general circulation, at least two publications in each week for 2 weeks, the first publication to be at least 2 weeks immediately preceding the day when the bids are to be submitted; one such newspaper shall be published or shall be of general circulation in the city or town where the principal operating office of the carrier is located and the other newspaper shall be published in one other of the following cities nearest to the operating or financial office of the carrier or the place where the contract is to be performed, namely: New York, N.Y., Boston, Mass., Chicago, Ill., St. Louis, Mo., Atlanta, Ga., San Francisco, Calif., and Portland, Oreg.; and a printed copy of the published notice in each case shall be posted in plain view, for 2 weeks immediately preceding the day on which bids are to be received, on a bulletin board, designated for that purpose, in a public and conspicuous place in the building where the principal operating office of the carrier is located.

(1) Such published notices shall describe in general but intelligible terms the proposed contract, giving its serial number, and the special matter or things for which bids are requested, and the date and time at or before which the bids must be submitted, and the person by whom and the office at which the bids submitted will be received and opened as provided in this part. The carrier may in said notice reserve the right to reject, any and all bids and may, at its option, require each bidder to tender a bond in a reasonable sum to be therein named, with sufficient surety or sureties conditioned upon the faithful and prompt performance of the terms of the contract.

(c) Upon application, a carrier owned or operated by any state or by an agency of one or more states, or a wholly-owned subsidiary corporation thereof, may be authorized by the Commission to employ a competitive bidding procedure or procedures varying from the generally applicable procedure provided by this regulation upon the following showing: (1) That the applicant carrier is owned or operated by a state or by an agency of one or more states, or is a wholly-owned subsidiary corporation thereof; (2) a detailed statement of the procedure for which authorization is requested and the variations thereof from the generally applicable procedure provided by this regulation and the purpose or reason for such variation; and (3) that the generally applicable procedure provided by this regulation imposes on the carrier an unreasonable burden or interferes with obtaining by the carrier of the most favorable bid.

(Secs. 201-227, 49 Stat. 543-567, as amended; 49 U.S.C. 301-327; sec. 12, 24 Stat. 383, as amended; sec. 20, 24 Stat. 386, as amended; 49 U.S.C. 12, 20)

[32 FR 20013, Dec. 20, 1967, as amended at 40 FR 56669, Dec. 4, 1975]

§ 1010.2 Opening of bids; bonds; form contents of bids.

(a) Every bid to receive consideration shall be submitted at the place and at or before the hour specified in the notice for the receipt of bids. The time specified may be any hour from 10:00 a.m. until 3:00 p.m. of any business day, and the bids shall be opened after the specified hour and before six o'clock on the day and at place and by the person or persons designated in the notice. Each bidder may attend in person or by duly authorized representative at the opening of the bids, and shall be afforded an opportunity to do so and to examine each bid. The bids shall forthwith be tabulated in conformity with the form of proposal prepared and a copy of such tabulation shall be promptly furnished to any bidder or his authorized representative upon application therefor.

(b) When required by the notice, each bid shall be accompanied by tender of a bond in the amount specified in the notice with sufficient surety or sureties conditioned upon the faithful and prompt performance of the proposed contract. A bond shall be required only in cases where the notice for bids expressly calls for a bond.

(c) Each bid shall be enclosed with accompanying papers in a plain envelope securely sealed bearing no indication of the name of the bidder or the amount of the bid, and shall be marked "Bid under proposed contract No. ——," and shall be addressed to the officer of the carrier designated in the notice to receive the name.

(d) Each bid shall state the name and address of the bidder and, if the bidder be a corporation, the names and addresses of the officers, directors and general manager thereof and of the purchasing or selling officer or agent in that transaction and, if the bidder is a firm, partnership or association, the bid shall give the names and addresses of each member thereof, and of the manager, purchasing or selling officer or agent in that transaction.

[32 FR 20013, Dec. 20, 1967, as amended at 40 FR 56669, Dec. 4, 1975]

§ 1010.3 Considerations for acceptance of bids; rejection; readvertising for new bids.

After receiving and opening bids as aforesaid, the carrier receiving the same shall within 48 hours in cases where the sale or purchase of securities is the undertaking, and within 21 days where bids are for supplies, equipment, other articles of commerce and for construction or maintenance work, accept the most favorable bid considering (a) the lowest price or prices for the supplies, equipment, and other articles of commerce, and for the construction or maintenance work, described in the advertisement, and the highest price or prices offered for any securities or property, so described, for sale by the carrier, and (b) the ability and reliability of the bidder, financial and otherwise, to deliver the property or to perform the work or transaction, or to pay for the securities, described in the advertisement, giving due consideration to any bond or security tendered by the bidder.

If the right be reserved in the notice all bids may be rejected and the carrier may readvertise for bids. The carrier shall notify the successful bidder of the acceptance of his or its bid, and the bidder shall within 10 days execute the required contract, and, if required by the notice, execute a good and sufficient bond for the faithful and prompt performance of the contract. In case the successful bidder shall neglect or fail within said time to execute the contract or bond as aforesaid the carrier may within 5 days award the contract to the next most favorable bidder, ascertained as herein provided for determining the most favorable bidder. If neither the most favorable bidder nor the next most favorable bidder shall execute a contract and qualify as aforesaid, the carrier shall readvertise for new bids.

§ 1010.4 Statement of the transaction.

Each carrier after having made and executed a contract as and in the manner above specified shall within 30 days after the execution of such contract file with the Interstate Commerce Commission a statement of the transaction giving, (a) a copy of the published notice; (b) the names of all bidders, and, if the bidder be a corporation, the names and addresses of the officers, directors and general managers thereof and of the purchasing or selling officer or agent in that transaction, or if the bidder be a partnership or firm, the names and addresses of the members of the firm, the general manager and purchasing or selling agent thereof, and the total amount of each bid; (c) the name of the bidder to whom the contract was awarded together with a copy of the contract; and (d) if any other than the lowest or the highest bid, as the case may be, is accepted as being most favorable to the carrier, the reasons for such acceptance. The statement shall be made in typewriting, in pamphlet form on pages not less than 8 by 10½ inches in size nor greater than 9½ by 12 inches, in size, bound on the longer edge of the page, the paper to be of durable quality fit for permanent record.

§ 1010.5 Examination.

In the case of each bid so taken as aforesaid, the carrier shall preserve and keep open for examination by the Interstate Commerce Commission or any duly authorized examiner thereof, (a) a copy of the resolution or order of the Board of Directors, Executive Committee, or officers of the said common carrier specifying the purposes and terms of the contract for which the bids were invited; (b) a copy of the specifications, maps, drawings, and illustrations upon which bids were made; (c) copies of the notices published, sworn to by or on behalf of the publisher of each paper, respectively, giving the dates and times of publication; (d) the original bids received, designating the bid accepted and giving a statement of the reasons for accepting the same; (e) a copy of the contract entered into between the carrier and the accepted bidder, together with a copy of the bonds if any; (f) references by number of volume and page to the records of proceedings of the stockholders, directors, or executive committee of the carrier. The files in each transaction shall be securely fastened together and given the contract number and each document therein shall be numbered consecutively and at the conclusion there shall be a sworn statement by the president, a vice president, or the general manager of the carrier, stating that the files in No. ——— contain true and complete records and statements of all the negotiations had in connection with the contract therein set forth. Carriers subject to the requirements of section 10 of the Clayton Antitrust Act, 15 U.S.C. 20 may destroy such contracts or other records required thereby 10 years after the expiration thereof, without permission of the Commission: *Provided*, There is no litigation pending involving these records: *And further provided*, That the carrier has informed the Commission of its intended action at least 2 weeks prior to the date the records are to be destroyed.

(Secs. 201-227, 49 Stat. 543-567, as amended; sec. 12, 24 Stat. 383, as amended; sec. 20, 24 Stat. 386, as amended; 49 U.S.C. 301-327, 12-20)

§ 1010.7 Carriers subject to the Interstate Commerce Act.

(a) The regulations prescribed in this part are hereby made applicable, on and after January 29, 1938, to all common carriers subject to part II of the Interstate Commerce Act.

(Secs. 201-227, 49 Stat. 543-567 as amended; 49 U.S.C. 301-327.)

(b) The regulations prescribed in this part shall apply, on and after the first of May 1942, to all common carriers subject to Part III of the Interstate Commerce Act.

(Secs. 12, 20, 24 Stat. 383, as amended, 386, as amended; 49 U.S.C. 12, 20)

SUBCHAPTER C—ACCOUNTS, REPORTS AND RECORDS

PART 1200

PART 1200—GENERAL ACCOUNTING REGULATIONS UNDER THE INTERSTATE COMMERCE ACT

§ 1200.1 Financial statements released by carriers.

Carriers desiring to do so may prepare and publish financial statements in reports to stockholders and others, except in reports to this Commission, based on generally accepted accounting principles for which there is authoritative support, provided that any variance from this Commission's prescribed accounting rules contained in such statements is clearly disclosed in footnotes to the statements.

(Sec. 20, 24 Stat. 386; 49 U.S.C. 20; sec. 220(a), 49 Stat. 563; 49 U.S.C. 320; sec. 313(a), 54 Stat. 944; 49 U.S.C. 913; sec. 412(a), 56 Stat. 294; 49 U.S.C. 1012)

[32 FR 20123, Dec. 20, 1967]

PART 1204—PIPELINE COMPANIES

LIST OF INSTRUCTIONS AND ACCOUNTS

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1-3 Accounting period.
1-4 Accounting method.
1-5 Delayed items.
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1-7 Items in texts of accounts.
1-8 Depreciation accounting—Carrier property.
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1-10 Amortization of intangibles.
1-11 Interpretation of rules.
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AUTHORITY: Sec. 12, 20, 24 Stat. 383, as amended, 49 U.S.C. 12, 20.

SOURCE: 32 FR 20241, Dec. 20, 1967, unless otherwise noted.

LIST OF INSTRUCTIONS AND ACCOUNTS

Definitions. Definitions of terms used in this system of accounts:

1. "Accounts" means the accounts prescribed in this system of accounts.

2. "Actually issued," as applied to securities issued or assumed by the carrier, means those which have been sold to bona fide purchasers or holders for a valuable consideration, those issued in exchange for other securities or other property, and those issued as dividends on stock; and the purchasers or holders secured them free from control by the carrier.

3. "Actually outstanding," as applied to securities issued or assumed by the carrier, means those which have been actually issued and are neither retired nor held by or for the carrier.

4. "Additions" means facilities, equipment, and structures added to existing property exclusive of replacements.

5. "Affiliated companies" means companies or persons that directly, or indirectly through one or more intermediaires, control, or are controlled by, or are under common control with, the accounting carrier.

6. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

7. "Book cost" means the amount at which assets are recorded in the accounts without deduction of related provisions for accrued depreciation, amortization, or for other purposes.

8. "Carrier" means a common carrier by pipeline subject to the Interstate Commerce Act.

9. "Commission" means the Interstate Commerce Commission.

10. "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means. When there is doubt about an existence of control in any particular situation, the carrier shall report all pertinent facts to the Commission for determination.

11. "Cost" means the amount of money actually paid for property or services or the current cash value of the consideration given when it is other than money.

12. "Cost of removal" means cost of demolishing, dismantling, tearing down, or otherwise removing property including costs of handling and transportation.

13. "Date of retirement" means the date that property is withdrawn from service.

14. "Debt expense" means all expense in connection with the issuance and sale of evidences of debt, such as fees for drafting mortgages and trusts; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other evidences of debt; fees paid to trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing evidences of debt; fees and expenses of listing on exchanges; and other like costs.

15. "Depreciation" means the loss in service value not restored by current maintenance and incurred in connection with the consumption or prospective retirement of property in the course of service from causes against

which the carrier is not protected by insurance, and the effect of which can be forecast with a reasonable approach to accuracy.

16. "Discount," as applied to securities issued or assumed by the carrier, means the excess of the par or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

17. "Group plan" means the plan under which depreciation charges are computed on the book cost of all property included in each depreciable account by application of a composite rate of depreciation based on the weighted average service lives of such property.

18. "Improvements" means alterations or changes in structural design of property which result in increased service life or efficiency.

19. "Minor items of property" means the associated parts or items of which units of property are composed.

20. "Net salvage value" means salvage value of property retired less the cost of removal.

21. "Nominally issued," as applied to securities issued or assumed by the carrier, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company.

22. "Nominally outstanding," as applied to securities issued or assumed by the carrier, means those which, after being actually issued, have been reacquired by or for the accounting company under such circumstances which require them to be considered as held alive and not retired and canceled.

23. "Premium," as applied to securities issued or assumed by the carrier, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face value and interest or dividends accrued at the date of sale.

24. "Property retired" means units of property which have been removed, sold, abandoned, destroyed, or which for any cause have been withdrawn from service; also, minor items of property not replaced.

25. "Replacement" means the substitution of a part or of a complete unit of property with a new part or unit.

26. "Salvage value" means the amount received or estimated to be received for property retired less any expenses incurred in connection with the sale or preparing the property for sale; or, if retained, the value at which the recovered material is chargeable to the material and supplies account or other appropriate account.

27. "Service life" means the period between the date that property is placed in service and the date of its retirement.

28. "Service value" means the book cost less the actual or estimated net salvage value of property.

29. "Straight-line method," as applied to depreciation and amortization accounting, means the plan under which the service value of property is charged to expense and credited to the related accrued depreciation or amortization account through equal monthly charges during the service life of the property.

30. (a) "Income taxes" means taxes based on income determined under provisions of the United States Internal Revenue Code and foreign, state and other taxes (including franchise taxes) based on income.

(b) "Income tax expense" means the amount of income taxes (whether or not currently payable or refundable) allocable to a period in the determination of net income.

(c) "Pretax accounting income" means income or loss for a period, exclusive of related income tax expense.

(d) "Taxable income" means the excess of revenues over deductions or the excess of deductions over revenues to be reported for income tax purposes for a period.

(e) "Timing differences" means differences between the periods in which transactions affect taxable income and the periods in which they enter into the determination of pretax accounting income. Timing differences originate in one or more subsequent periods. Some timing differences reduce income taxes that would otherwise be payable currently; others increase income taxes that would otherwise be payable currently.

(f) "Permanent differences" means differences between taxable income and pretax accounting income arising from transactions that, under applicable tax laws and regulations, will not be offset by corresponding differences or "turn around" in other periods.

(g) "Tax effects" means differentials in income taxes of a period attributable to (1) revenue or expense transactions which enter into the determination of pretax accounting income in one period and into the determination of taxable income in another period, (2) deductions or credits that may be carried backward or forward for income tax purposes and (3) adjustments of prior periods and direct entries to other stockholders' equity accounts which enter into the determination of taxable income in a period but which do not enter into the determination of pretax accounting income of that period. A permanent difference does not result in a "tax effect" as that term is used in this definition.

(h) "Deferred taxes" means tax effects which are deferred for allocation to income tax expense of future periods.

(i) "Interperiod tax allocation" means the process of apportioning income taxes among periods.

(j) "Tax allocation within a period" means the process of apportioning income tax expense applicable to a given period between income before extraordinary items and of associating the income tax effects of adjustments of prior periods and direct entries to other stockholders' equity accounts with these items.

31.(a) "Investor" means a business entity that holds an investment in voting stock of another company.

(b) "Investee" means a corporation that issued voting stock held by an investor.

(c) "Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

(d) "Dividends", unless otherwise specified, means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

(e) "Earnings or losses of an investee" and "financial position of an investee" refer to net income (or net loss) and financial position of an investee determined in accordance with generally accepted accounting principles.

(f) "Undistributed earnings of an investee" means net income less dividends declared whether received or not.

(g) "Date of acquisition" is the date on which the investor assumes the rights of ownership. Ordinarily this is the date assets are received and other assets are given or securities issued.

32. (a) "Segment of a business" refers to a component of an entity whose activities represent a separate major line of business or class of customer. A segment may be in the form of a subsidiary, a division, or a department, and in some cases a joint venture or other nonsubsidiary investee, provided that its assets, results of operations, and activities can be clearly distinguished, physically and operationally and for financial reporting purposes, from the other assets, results of operations, and activities of the entity. The fact that the results of operations of the segment being sold or abandoned cannot be separately identified strongly suggests that the transaction should not be classified as a segment of business.

(b) "Measurement date" means the date on which the management having authority to approve the action commits itself to a formal plan to dispose of a segment of the business, whether by abandonment or sale. The measurement date for disposals requiring Commission approval shall be the service date of the Order authorizing the disposal.

(c) "Disposal date" refers to the date of closing the sale if the disposal is by sale or the date that operations cease if the disposal is by abandonment.

33. "Compensating balance" means the portion of any demand deposit (or any time deposit or certificate of deposit) maintained by a carrier (or by any person on behalf of the carrier) which constitutes support for existing borrowing arrangements of the carrier

(or any person) with a lending institution. Such arrangements include both outstanding borrowings and the assurance of future credit availability. (The compensating balance requirement should be adjusted by the amount of float unless such adjustment would cause the compensating balance to be greater than the cash balance per carrier's books. The float adjustment is made by subtracting the float from the compensating balance requirement if the collected bank ledger balance exceeds the cash balance per carrier's books or by adding the float to the compensating balance requirement if the collected bank ledger balance is less than the cash balance per carrier's books.)

34. "Float" means deposits and withdrawals in transit which constitute a difference between the collected bank ledger balance and the cash balance per carrier's books.

35. (a) "Equity security" encompasses any instrument representing ownership shares (e.g., common, preferred, and other capital stock), or the right to acquire (e.g., warrants, rights, and call options) or dispose of (e.g., put options) ownership shares in an enterprise at fixed or determinable prices. The term does not encompass preferred stock that by its terms either must be redeemed by the issuing enterprise or is redeemable at the option of the investor, nor does it include treasury stock or convertible bonds.

(b) "Marketable," as applied to an equity security, means an equity security as to which sales prices or bid and ask prices are currently available on a national securities exchange (i.e., those registered with the Securities and Exchange Commission) or in the over-the-counter market. In the over-the-counter market, an equity security shall be considered marketable when a quotation is publicly reported by the National Association of Securities Dealers Automatic Quotations System or by the National Quotations Bureau, Inc. (*Provided*, in the later case, That quotations are available from at least three dealers.) Equity securities traded in foreign markets shall be considered marketable when such markets are of a breadth and scope comparable to those referred to above. This definition is not met by restricted stock (securities for which sale is restricted by a governmental or contractual requirement except where such requirement terminates within one year or where the holder has the power to cause the requirement to be met within one year). Any portion of the stock which can reasonably be expected to qualify for sale within one year, such as may be the case under Rule 144 or similar rules of the Securities and Exchange Commission, is not considered restricted.

(c) "Market value" refers to the aggregate of the market price of a single share or unit times the number of shares or units of each marketable equity security in the portfolio. When an entity has taken positions involving short sales, sales of calls, and purchases of puts for marketable equity securities and the same securities are included in the portfolio, those contracts shall be taken into consideration in the determination of market value of the marketable equity securities.

(d) "Cost," as applied to a marketable equity security, refers to the original cost unless a new cost basis has been assigned based on recognition of an impairment of value that was deemed other than temporary or as the result of a transfer between current and noncurrent classifications. In such cases, the new cost basis assigned shall be considered cost.

[32 FR 20241, Dec. 20, 1967, as amended at 34 FR 15483, Oct. 4, 1969; 37 FR 17713, Aug. 31, 1972; 39 FR 33343, Sept. 17, 1974; 39 FR 34043, Sept. 23, 1974; 40 FR 53247, Nov. 17, 1975; 41 FR 9158, Mar. 3, 1976; 42 FR 33297, June 30, 1977]

NOTE: The effective date of the amendments at 34 FR 15483, Oct. 4, 1969, was postponed until further order of the Commission, 34 FR 18307, Nov. 15, 1969.

GENERAL INSTRUCTIONS

1-1 *Classification of accounts.* Accounts are prescribed to record the cost of property used in transportation and related operations and for revenues, expenses, taxes, rents, and other items of income for such operations. Separate accounts are prescribed for cost of property not used in transportation operations and for income and expenses pertaining thereto; for other investments and related income; for extraordinary and prior period items, including applicable income taxes; and for assets and liabilities.

In addition, stockholders' equity accounts, designed to segregate directly contributed capital from appropriated and unappropriated retained income, are provided. Retained income accounts form the connecting link between the income account and the equity section of the balance sheet. They are provided to record the transfer of net income or loss for the year; certain capital transactions; and, when authorized by the Commission, other items.

1-2 *Records.* (a) Carriers shall keep their accounts and records in accordance with the prescribed accounts. In addition, clearing accounts, temporary accounts, and subdivisions of any account may be kept provided the integrity of the prescribed accounts is not impaired. Each carrier shall keep its books of account, and all other books, records and memoranda which support the entries in such books of account, so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.

(b) The books and records referred to herein include not only accounting records in a limited technical sense, but all records, such as minute books, stock books, reports, correspondence, memorandums, etc., which may be useful in developing the history of or facts regarding any transaction.

(c) No carrier shall destroy any books, records, memoranda, etc., which support entries to its accounts unless destruction is permitted by the regulations governing preservation of records, Part 1220 of this chapter.

(49 U.S.C. 5b, 304, 320, 904, 913, 917, 1003, 1012)

[32 FR 20241, Dec. 20, 1967, as amended at 40 FR 50384, Oct. 29, 1975]

1-3 *Accounting period.* (a) Each carrier shall keep its books on a monthly basis so that all transactions, as nearly as may be ascertained, shall be entered in the accounts not later than 60 days after the last day of the period for which the accounts are stated, except that the time within which the final entries for the year ending December 31 shall be made may be extended to such date in the following March as shall not interfere with the preparation and filing of the annual report.

(b) Changes shall not be made in the accounts for periods covered by reports that have been filed with the Commission unless the changes have first been authorized by the Commission.

1-4 *Accounting method.* (a) This system of accounts shall be kept by the accrual method of accounting. The basis used for accruing income and expense items each month shall be consistently applied and any change in such basis or any unusual accruals involving material amounts shall be promptly reported to the Commission.

(b) When the amount of any transaction cannot be accurately determined in time for inclusion in the applicable month's accounts, an estimated amount shall be entered in the proper accounts. Appropriate adjustments shall be made as soon as the actual amounts become known or at the time a substantial change is indicated. Carriers are not required to anticipate minor items which do not appreciably affect the accounts.

1-5 *Delayed items.* Ordinary delayed items and adjustments arising during the current year which are applicable to prior years shall be included in the same account which would have been charged or credited if the item had been taken up or the adjustments made in the year to which it pertained. When the amount of a delayed item or adjustment is relatively so large that its inclusion in net income for a single month would seriously distort the accounts for the month (but not for the year), such amount may be distributed in equal monthly charges or credits, as the case may be, to the remaining months of the calendar year. See instruction 1-6 for instructions covering extraordinary and prior period items of a nonrecurring nature.

1-6 *Extraordinary, unusual or infrequent items, prior period adjustments, discontinued operations and accounting changes.* (a) *Extraordinary Items.* All items of profit and loss recognized during the year are includible in ordinary income unless evidence clearly supports their classification as extraordinary items. Extraordinary items are characterized by both their unusual nature and infrequent occurrence taking into account the environment in which the firm operates; they must also meet the materiality standard.

Unusual means the event or transaction must possess a high degree of abnormality and be of a type clearly unrelated to, or only incidentally related to the ordinary and typical activities of the entity.

Infrequent occurrence means the event or transaction shall be of a type not reasonably expected to recur in the foreseeable future.

(b) *Unusual or Infrequent Items.* Material events unusual in nature or infrequent in occurrence but not both, thus not meeting both criteria for classification as extraordinary, shall be includible in the accounts provided as separate components of income/expense from continuing operations. Such items are not to be reported net of income taxes.

(c) *Discontinued Operations.* The results of continuing operations shall be reported separately from discontinued operations and any gain or loss resulting from disposal of a segment of a business (see definition 32(a)) shall be reported in conjunction with the related results of discontinued operations and not as an extraordinary item. The disposal of a segment of a business shall be distinguished from other disposals of assets incident to the evolution of the entity's business, such as the disposal of part of a line of business, the shifting of production or marketing activities for a particular line of business from one location to another, the phasing out of a product line or class of service, and other changes occasioned by technological improvements. If a loss is expected from the proposed sale or abandonment of a segment, the estimated loss shall be provided for at the measurement date (see definition 32(b)). If a gain is expected, it shall be recognized when realized, which ordinarily is the disposal date (see definition 32(c)).

(d) *Prior Period Adjustments.* Adjustments occurring in the current accounting period, relating to events or transactions which occurred in a prior period the accounting effects of which could not be determined with reasonable assurance at that time, shall be reported as prior period adjustments. A prior period adjustment, after income tax effect, should be reported by restating the beginning balance of retained income of the current year and correspondingly adjusting related prior year balances presented for comparative purposes. Such adjustments shall not be considered prior period unless: (1) They can be specifically identified with and directly related to the business activities of particular prior periods, and (2) are not attributable to economic events occurring subsequent to the date of the financial statements for the prior period, and (3) depend primarily on determinations by persons other than management, and (4) were not susceptible of reasonable estimation prior to such determination, and (5) they are material. If an adjustment does not meet such criteria, it shall be separately disclosed as to year of origin, nature, and amount and classified in the current period in the same manner as the original item. If the adjustment is the correction of an error, it shall be reported as a prior period adjustment.

(e) *Accounting Changes.* A change in accounting principle or accounting entity should be referred to this Commission for approval. The cumulative effect of a change in accounting principle should ordinarily be reflected in the account provided for in determining net income; in certain cases accounting changes may be reflected as prior period adjustments. Changes in accounting estimates should ordinarily be reflected prospectively.

(f) *Materiality.* As a general standard an item shall be considered material when it exceeds 10 percent of annual income (loss) before extraordinary items. An item may also be considered in relation to the trend of annual earnings before extraordinary items or other appropriate criteria. Items shall be considered individually and not in the aggregate in determining materiality. However, the effects of a series of related transactions arising from a single specific and identifiable event or plan of action shall be aggregated to determine materiality.

(g) *Commission Approval and accountant's letter.* Items shall be included in the accounts provided for extraordinary items, unusual or infrequent items, discontinued operations, prior period adjustments and cumulative effect of changes in accounting principles only upon approval of the Commission. If the carrier retains the service of an independent accountant, a request for using these accounts shall be accompanied by a letter from the independent accountant approving or otherwise commenting on the request.

NOTE: The carrier may refer to generally accepted accounting principles for further guidance in applying instruction 1-6.

[40 FR 53248, Nov. 17, 1975]

1-7 *Items in texts of accounts.* Items appearing in instructions and in the texts of various accounts are merely representative and are not intended to cover all of the items includible therein.

1-8 *Depreciation accounting—Carrier property.*

(a) *Method.* Monthly depreciation charges shall be made by the straight-line method to operating expenses in conformity with the group plan of accounting applicable to all carrier property except property included in accounts 101, 151, 171, Land, and 187, Construction Work in Progress.

(b) *Rates.* (1) Separate composite annual percentage rates will be prescribed for each depreciable account except that the Commission may authorize the use of component rates upon specific request from a carrier. Carriers becoming subject to this system of accounts and carriers acquiring property for which no rates have been previously prescribed shall file, within six months, composite annual percentage rates applicable to the book cost of each class of depreciable carrier property as will distribute the service value, by the straight-line method, in equal annual charges to operating expenses during the service life of the property. These rates shall be used by the carrier until the rates prescribed by the Commission become effective. Such rates shall, for each primary account comprised of more than one class of property, produce a depreciation charge equal to the sum of the amounts that would otherwise be chargeable for each of the various classes of property included in the account. Carriers shall base these percentage rates on estimated service values and service lives developed from engineering and other studies. The rates filed shall be accompanied by a statement showing the bases and the methods employed in the rate determination.

(2) Carriers shall be prepared at any time upon the direction of the Commission to compute and submit revised percentage rate studies. When a carrier believes that any rate prescribed by the Commission is no longer applicable, it shall submit the rate which it believes should be established supported by full particulars for consideration by the Commission.

(3) A carrier shall keep records of property and property retirements that will reflect the service life of property which has been retired, or will permit the determination of service life indications by mortality, turnover, or other appropriate methods; and also such records as will reflect the percentage of net salvage value for property retired from each class of depreciable carrier property.

(c) *Charges.* In computing monthly charges, the annual percentage rates shall be applied to the depreciation base as of the first of each month and the result divided by twelve.

(d) *Retirements.* Except as provided in paragraph (e) of this section, upon the retirement of depreciable property the service value shall be charged in its entirety to account 31, Accrued Depreciation—Carrier Property. Any amounts of insurance recovered from casualty losses involving depreciable property retired shall be credited thereto.

(e) *Special accounting authority.* (1) When circumstances indicate that newly acquired property should be subject to amortization, or that the prescribed depreciation rates based on the service lives of certain property are no longer applicable, because the source of traffic will be exhausted before the end of the physical service life, the carrier shall submit to the Commission for approval amortization or depreciation rates based on the estimated remaining service life of the property accompanied by full information justifying the request.

(2) A carrier may request, or the Commission may direct, that special accounting be applied in situations causing undue inflation or deflation of depreciation reserves, such as premature or unusual retirements or sales of depreciable property, or related insurance recoveries. A carrier's request for special accounting shall contain full particulars concerning the situation, including the basis for its proposal. Alternative accounting techniques shall be applied to the extent approved or directed by the Commission.

1-9 *Depreciation accounting—Noncarrier property.* Monthly depreciation charges for all depreciable property recorded in account 34, Noncarrier Property, shall be made to account 620, Income from Noncarrier Property, with concurrent credits to account 35, Accrued Depreciation—Noncarrier Property. The depreciation charges shall be such as to distribute the service values equitably over the service life of the property.

1-10 *Amortization of intangibles.* Monthly charges shall be made to account 540, Depreciation and Amortization, to amortize the cost of fixed life intangibles such as permits, patents and franchises which are directly related to pipeline operations. Monthly charges shall be made to account 660, Miscellaneous Income Charges, to amortize the cost of intangibles such as goodwill which are not directly associated with pipeline operations. The amortization charges shall be such as to distribute the cost by the straight-line method in equal annual charges over the life or expected period of benefit.

1-11 *Interpretation of rules.* To maintain uniformity of accounting, carriers shall submit questions of doubtful interpretation to the Commission for consideration and decision.

1-12 *Accounting for income taxes.* (a) The interperiod tax allocation method of accounting shall be applied where material timing differences (see definition 30(e)) occur between pretax accounting income and taxable income. Carriers may elect, as provided by the Revenue Act of 1971, to account for the investment tax credit by either the flow through method or the deferred method of accounting. See paragraphs (d) and (e) below. All income taxes (Federal, state and other) currently accruable for income tax return purposes shall be charged to account 670, Income taxes on ordinary income, and account 695, Income taxes on extraordinary items, as applicable.

(b) Under the interperiod tax allocation method of accounting the tax effect of timing differences (see definitions 30 (g) and (e)) originating in the current accounting period are allocated to income tax expense of future periods when the timing differences reverse. Similar timing differences originating and reversing in the current accounting period should be combined into groups and the current tax rates applied to determine the tax effect of each group. A carrier shall not apply other than current tax rates in determining the tax effect of reversing differences except upon approval of the Commission. When determining the amount of deferred taxes, rather than computing state and other taxes individually by jurisdiction, the Federal income tax rate may be increased by a percent equivalent to the effect of taxes imposed by the jurisdictions.

(c) The future tax benefits of loss carryforwards shall normally be recognized in the year in which such loss is applied to reduce taxes. Only in those unusual instances when realization is assured beyond any reasonable doubt should the future tax benefits of loss carryforwards be recognized in the year of loss. The tax effects of any realizable loss carrybacks shall be recognized in the determination of net income (loss) of the loss periods; appropriate adjustments of existing net deferred tax credits may also be necessary in the loss period.

(d) Carriers electing to account for the investment tax credit by the flow through method shall credit account 670, Income taxes on ordinary income, or account 695, Income taxes on extraordinary items, as applicable, and charge account 56, Taxes payable, with the amount of investment tax credit utilized in the current accounting period. When the flow through method is followed for the investment tax credit, account 671, Provision for deferred taxes, shall reflect the difference between the tax payable (after recognition of allowable investment tax credit) based on taxable income and tax expense (with full recognition of investment tax credit that would be allowable based on accounting income) based on accounting income.

(e) Carriers electing to account for the investment tax credit by the deferred method shall concurrently with making the entries prescribed in (d) above charge account 671, "Provision for deferred taxes" or account 696, "Provision for deferred taxes—extraordinary items," as applicable, and shall credit account 64, Accumulated deferred income tax credits with the investment tax credit utilized as a reduction of the current year's tax liability but deferred for accounting purposes. The investment tax credit so deferred shall be amortized by credits to account 671, "Provision for deferred taxes".

NOTE A: Any change in practice of accounting for the investment tax credit shall be reported promptly to the Commission. Carriers desiring to clear deferred investment tax credits because of a change from the deferral method to the flow through method shall submit the proposed journal entry to the Commission for consideration and advice.

NOTE B: The carrier shall follow generally accepted accounting principles where an interpretation of the accounting rules for income taxes is needed or obtain an interpretation from its public accountant or the Commission.

[39 FR 33344, Sept. 17, 1974, as amended at 40 FR 53247, Nov. 17, 1975]

1-13 *Transactions with affiliated companies.* (a) The records and supporting data of all transactions with affiliated companies shall be maintained in a separate file The types of transactions referred to in this paragraph are for management services or any other type of services rendered, sale or use of facilities or any other type of assets or property. The file shall be maintained so as to enable the carrier, to furnish accurate information with supporting documentation about particular transactions within 15 days of the request. We do not intend the file to include data relating to ordinary carrier operations (e.g. lawful tariff charges).

(b) Each bill rendered by an affiliated company shall state specifically the basis used for determining charges, unless the file contains other information to support the specific basis for charges.

(c) Punched cards, magnetic tapes, discs, or other machine-sensible device used for recording, consolidating, and summarizing accounting transactions and records with a carrier's electronic or automatic data processing system may constitute a file within the meaning of this instruction.

(d) The carrier shall record, as the cost of assets or services received from an affiliated supplier, the invoice price (plus any incidental costs related to those transactions) in those cases where the invoice price can be determined from a prevailing price list of the affiliated supplier available to the general public in the normal course of business. If no such price list exists, the charges shall be recorded at the lower of their cost to the originating affiliated supplier (less all applicable valuation reserves in case of asset sales), or their estimated fair market value determined on the basis of a representative study of similar competitive and arm's-length or bargained transactions.

Any difference between actual transaction price and the above, as well as charges that are not transportation related, shall be considered of a financing nature and shall be recorded, accordingly, as nonoperating charges or credits. (See Instruction 1-14).

(e) Nothing contained herein shall be construed as restraining the carrier from subdividing accounts (see Instruction 1-2(a)) for the purpose of recording separately transactions with affiliated companies.

[40 FR 44562, Sept. 29, 1975]

1-14 *Charges to be just and reasonable.* All charges to the accounts prescribed in this system of accounts for carrier property, operating revenues, operating and maintenance expenses, and other carrier expenses, shall be just, reasonable and not exceed amounts necessary to the honest and efficient operations and management of carrier business. Payments shall not exceed the fair market value of goods and services acquired in an arm's-length transaction. Any payments in excess of such just and reasonable charges shall be included in account 660, Miscellaneous Income Charges.

[40 FR 44562, Sept. 29, 1975]

1-15 *Accounting for marketable equity securities owned.* (a) Accounts 11 "Temporary investments," 20 "Investments in affiliated companies," and 21 "Other investments" shall be maintained in such a manner as to reflect the marketable equity securities' portion (see definition 35) and other securities or investments.

(b) For the purpose of determining net ledger value, the marketable equity securities in account 11 shall be considered the current portfolio and the marketable equity securities in accounts 20 and 21 (combined) shall be considered the noncurrent portfolio. The net ledger value of each portfolio shall be the lower of its aggregate cost or market value. (See definition 35.) The amount by which aggregate cost exceeds market value shall be accounted for as the valuation allowance. Account 11 "Temporary investments" shall be subdivided to include the valuation allowance for the marketable equity securities included therein. Account 24 "Allowance for net unrealized loss on noncurrent marketable equity securities—Credit" is the valuation allowance for the marketable equity securities included in accounts 20 "Investments in affiliated companies" and 21 "Other investments." Marketable equity securities accounted for by the equity method shall not be combined with other marketable equity securities when determining aggregate cost and market value.

(c) Realized gains and losses (the difference between net proceeds from sale and cost) shall be included in income of the period in which they occur. Changes in the valuation allowance for marketable equity securities included in account 11 shall be charged to account 660 "Miscellaneous income charges" or credited to account 640 "Miscellaneous income" as appropriate, with a contra entry to the valuation allowance contained within account 11. Changes in the valuation allowance for marketable equity securities included in accounts 20 and 21 shall be recorded in equity account 75.5 "Net unrealized loss on noncurrent marketable equity securities" with a contra entry to valuation account 24.

(d) If there is a change in the classification of a marketable equity security between current and noncurrent, the security shall be transferred at the lower of its cost or market value at date of transfer. If market value is less than cost, the market value shall become the new cost basis, and the difference shall be accounted for as if it were a realized loss and included in the determination of net income.

(e) For long investments in marketable equity securities, when the decline in market value below cost is judged to be other than temporary, the cost basis of the individual security shall be written down to a new cost basis. The amount of the write-down shall be accounted for as a realized loss by a charge to account 660 "Miscellaneous income charges" and a credit to account 23, "Reduction in security values—Credit." The new cost basis shall not be changed for subsequent recoveries in value.

[42 FR 33297, June 30, 1977]

INSTRUCTIONS FOR BALANCE SHEET ACCOUNTS

2-1 *Current assets.* In the group of accounts designated as current assets shall be included cash and other assets or resources commonly identified as those which are reasonably expected to be realized in cash or sold or consumed within a one-year period. There shall not be included any amount the collection of which is not reasonably assured by the known financial condition of the debtor or otherwise. Items of current character but of doubtful value shall be written down or written off to account 510, Supplies and Expenses, or to account 660, Miscellaneous Income Charges, as appropriate.

2-2 *Investments and special funds.* (a) This group of accounts shall include the cost of long-term investments in securities other than those of the accounting carrier, investment advances, sinking and other funds, cash value of life insurance policies, and other items of similar nature.

(b) Investment in securities shall be recorded at cost at time of acquisition excluding amounts paid for accrued interest and dividends. When securities with a fixed maturity date are purchased at a discount or premium, such discount or premium shall be amortized over the remaining life of the securities by periodical debits or credits to the account in which the cost of the securities is recorded with corresponding credits or debits to interest income. If the amount of the discount or premium is minor, the investment may be maintained at actual cost without adjustment, and the amount of discount or premium recorded in the interest income account at the time the securities mature.

(c)(1) *For financial statement purposes* the carrier shall follow the principles of equity accounting for (1) all investments in corporate joint ventures (see definition 31(c)), and (2) all investments in voting stock of affiliated companies giving the carrier the ability to significantly influence the operating and financial policies of an investee (see definition 31(b)). For purposes of this instruction an investment of 20 percent or more of the outstanding voting stock of an investee will indicate the ability to exercise significant influence over an investee in the absence of evidence to the contrary.

(2) Since the equity method is not to be effected by entries in the books of accounts but is to apply only in financial reports to the Commission, the carrier shall establish worksheet or memorandum accounts. Three basic worksheet or memorandum accounts are needed:

(a) An investment account to include (1) equity in the undistributed earnings or losses of the investee since the date of acquisition (see definition 31(g)); (2) accumulated amortization of the difference between cost and net assets at date of acquisition (see (c)(3) below); and other adjustments for disposition or writedown of investments.

(b) An income account to include (1) the investor's share of the investee's undistributed profits or losses for each reporting period subsequent to acquisition of the investment except that in the year of acquisition such amount shall be determined from the date of acquisition; (2) amortization for the reporting period of the difference between cost and net assets at date of acquisition. This account shall be closed at year-end to the retained income memorandum account discussed in paragraph (c) below.

(c) A retained income account to include (1) equity in the undistributed earnings or losses of the investee since the date of acquisition; (2) accumulated amortization of the difference between cost and net assets acquired at date of acquisition (see (c)(3) below).

(d) Other memorandum accounts will be needed for such adjustments as gains and losses on disposition of investments, recognition of impairments in value, the investor's share of extraordinary and prior period items reported in the investee's financial statements (see instruction 1-6), and provision for deferred taxes where it is reasonable to assume that undistributed earnings of an investee will be transferred to the investor in a taxable distribution. These memorandum accounts shall be closed at year-end to the retained income memorandum account discussed in paragraph (c) above.

(3) The carrier shall retain the following information for each investee in support of the worksheet or memorandum accounts:

(a) Original cost of investment.

(b) Equity in net assets of investee at date of acquisition.

(c) Allocation of difference between cost and equity in net assets, namely, to specific assets of investee or to goodwill.

(d) Accumulated amortization of difference between cost and equity in net assets.

(e) Unamortized balance of difference between cost and equity in net assets.

(f) Equity in undistributed earnings/losses for each year since date of acquisition.

(g) Dividends received since date of acquisition if determinable.

(h) Proceeds from sale of investments.

(4) Any difference between the investor's cost and its share of the net assets of the investee at date of acquisition shall be allocated to specific assets of the investee to the extent the difference is attributable to them. When the difference is allocated to depreciable or amortizable assets, depreciation and amortization (through the investment and income memorandum accounts) should absorb the difference over the remaining life of the related assets. If the difference is not related to specific accounts, it should be considered goodwill and amortized over a reasonable period not to exceed 40 years. For investments made prior to November 1, 1970, amortization of goodwill is not required in the absence of evidence that the goodwill has a limited term of existence.

(5) The financial statements of the investee that are used for equity accounting should be timely. If the accounting year of the investee differs from that of the investor then the most recent available financial statements may be used. The lag in reporting should be consistent from period to period.

(6) Material profits or losses on transactions between the investor and investee shall be eliminated until realized by either company as if the two were consolidated.

(7) A transaction of the investee of a capital nature that affects the investor's share of the investee's stockholder's equity should be reported in the financial statements as if the two were consolidated.

(8) The investor shall deduct any dividends applicable to outstanding cumulative preferred stock whether or not declared, and any other dividends declared when computing its share of undistributed earnings or losses.

(9) The investor shall suspend application of the equity method when the investment (including the investment memorandum account) together with any net advances made to the investee is reduced to zero. Additional losses shall not be provided for unless the investor has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. If the investee subsequently reports net income the investor shall resume applying the equity method at such time as its share of that net income equals the share of net losses not recognized during the period of suspension.

(10) When the investor's voting stock interest falls below the level of ownership described in paragraph (c)(1) of this instruction, the investment no longer qualifies for the equity method. Should dividends received on the investment in subsequent periods exceed the investor's share of earnings for such periods, the investment memorandum and income memorandum accounts shall be reduced by the excess amount.

(11) When the level of ownership of an investment increases to that described in paragraph (c)(1) of this instruction, the equity method shall be applied. The memorandum accounts for the investment, income (for current year's equity in undistributed earnings less amortization), and retained income (for prior years' equity in undistributed earnings less amortization) shall be adjusted retroactively on a step-by-step basis determining the equity in net assets at date of acquisition, amortization adjustment, and equity in undistributed earnings or losses at each level of ownership. Where small purchases are made over a period of time and then a purchase is made which qualifies the investment for the equity method, the date of latest purchase may be used as date of acquisition. In those situations where the information needed to apply the equity method is not determinable, the date of acquisition may be considered as January 1, 1974.

(12) Information having significance with respect to the investor's ownership in investees shall be disclosed in notes to financial statements of annual reports filed with the Commission in accordance with generally accepted accounting principles.

NOTE A: The carrier shall follow generally accepted accounting principles where an interpretation of the rules for equity accounting is needed or obtain an interpretation from its public accountant or the Commission.

[32 FR 20241, Dec. 20, 1967, as amended at 39 FR 34043, Sept. 23, 1974]

2-3 *Tangible property.* The cost of property owned that is devoted to transportation service shall be recorded in account 30, Carrier Property, and in account 33, Operating Oil Supply. This includes carrier's investment in jointly-owned transportation property in which it has an undivided ownership interest. The cost of other property not directly associated with pipeline operations shall be included in account 34, Noncarrier Property. Property used in both carrier and noncarrier services shall be classified in account 30 or account 34 according to its dominant use.

2-4 *Other assets and deferred charges.* Account 40, Organization Costs and Other Intangibles, is prescribed for organization costs and other intangible assets, such as patents and franchises. These intangible assets shall be recorded at cost. Accounts are also prescribed for assets not otherwise provided for and for charges applicable to future periods.

2-5 *Current liabilities.* In this group of accounts shall be included obligations which are payable on demand or mature or become due within one year from the date of the balance sheet.

2-6 *Noncurrent liabilities.* Includible under this category of account are those obligations which are not due to be liquidated within one year from the date of the balance sheet. Estimates of future fire losses or other contingencies shall not be accounted for as current expenses or recorded as liabilities. Such contingencies may be provided for by appropriations of retained income, the losses to be recognized in income when sustained.

2-7 *Contingent assets and liabilities.* Contingent assets and liabilities shall not be shown in the balance sheet but shall be explained in detail in a footnote or in a supplementary statement. Contingent assets are those which may be a possible source of value to the carrier dependent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities are those which may under certain conditions become obligations of the carrier but which are neither direct nor assumed liabilities at the date of the balance sheet.

INSTRUCTIONS FOR CARRIER PROPERTY ACCOUNTS

3-1 *Property acquired.* (a) In general the carrier property accounts shall be charged with the cost of property purchased or constructed and with the cost of additions and improvements. However, the acquisition of properties comprising a distinct operating system, or an integral portion thereof, when the purchase price exceeds $250,000, shall be accounted for in accordance with the provisions set forth in instruction 3-11.

(b) The cost of purchased property is the net price paid on a cash basis, or if other than money is given, the current value of that consideration. Cost includes the purchase price; sales, use, and excise taxes, and ad valorem taxes during periods of construction; transportation charges; insurance in transit; installation charges; and expenditures for testing and final preparation for use.

(c) Property acquired from an affiliated company through purchase or transfer shall be recorded together with the related accrued depreciation and liabilities assumed, if any, in the appropriate property accounts at the same amount that it was recorded on the books of the affiliate. When the purchase price exceeds the net book value of the property acquired, the difference shall be charged to retained income. When the purchase price is less than the net book value, the difference shall be credited to account 73, Additional Paid-in Capital. This does not apply to small miscellaneous purchases or transfers.

(d) The purchase of a proportionate share of a pipeline system or facility owned in undivided interests shall be recorded at the amount that the percentage of interest acquired bears to the whole. Any excess of deficiency of purchase price over the amount so recorded shall be debited to account 44, Other Deferred Charges, or credited to account 63, Other Noncurrent Liabilities, as appropriate, and amortized in equal periodic amounts over the remaining service life of the system or facility through income.

3-2 *Minimum rule.* (a) To avoid undue refinement in accounting, carriers shall charge to operating expenses acquisitions of property (other than land) including additions and improvements costing less than $500. Expenditures made under a general plan shall not be parceled to meet the minimum nor shall unrelated items be combined to avoid the minimum.

(b) An amount of less than $500 may be adopted for purposes of this rule provided the carrier first notifies the Commission of the amount it proposes to adopt and thereafter makes no change in the amount unless authorized to do so by the Commission.

3-3 *Cost of property constructed.* The cost of constructing property chargeable to the carrier property accounts shall include direct and other costs as described hereunder:

(1) Cost of labor includes the amount paid for labor performed by the carrier's own employees and officers. This includes payroll taxes, vacation pay, pensions, holiday pay and traveling and other incidental expenses of employees. No charge shall be made to these accounts for pay and expenses of officers and employees who merely render services incidentally in connection with extensions, additions or replacements.

(2) Cost of material and supplies includes the purchase price (less purchase and trade discounts) of material and supplies, including small tools, at the point of free delivery; costs of inspection and loading borne by the carrier; transportation charges; sales, use and excise taxes; and when applicable a proportionate share of stores expenses. In calculating the cost of material and supplies used, proper allowance shall be made for the value of unused portions and other salvage, for the value of the material recovered from temporary scaffolding, cofferdams and other temporary structures used in construction: and for the value of small tools recovered and used for other purposes.

(3)(i) Cost of special machine service includes the cost of labor expended and of materials and supplies consumed in maintaining and operating vehicles, equipment, and other machines used in construction work; and rents paid for the use of such machines.

(ii) When machines are purchased primarily for a construction project, their cost shall be charged to account 187, Construction Work in Progress. Upon completion of the construction project, account 187 shall be credited with amounts received for machines sold or the book cost (less a fair allowance for depreciation during the construction period) of machines retained for use in carrier service. The net book cost shall be included in the appropriate carrier property accounts.

(iii) The cost of repairs to vehicles and other work equipment and of machine tools and machinery which are used both in construction and maintenance work shall be apportioned equitably to the work in connection with which the equipment is used.

(4) Cost of transportation includes the amounts paid to other companies or individuals for the transportation of employees, material and supplies, special machine outfits, appliances, and tools in connection with construction and also the cost of hauling performed by the carrier's own forces and facilities. The cost of the transportation of construction material to the point where material is received by the carrier shall be included, so far as practicable, as a part of the cost of such material.

(5) Cost of contract work includes amounts paid for construction work performed under contract by other companies, firms, or individuals, and cost incident to the award of the contract.

(6) Cost of protection includes expenditures for protection in connection with construction. This includes the cost of protection against fires, cost of detecting and prosecuting incendiaries, amounts paid to municipal corporations and others for fire protection, cost of protecting property of others from damages, and analogous items.

(7) Cost of injuries and damages includes expenditures for injuries to persons or damage to property when incident to construction projects, and shall be included in the cost of the related construction work. It also includes that portion of premiums paid for insuring property prior to the completion or coming into service of the property insured. Insurance recovered for compensation paid for injuries to persons incident to construction shall be credited to the accounts to which such compensation is charged. Any insurance recovered for damages to property incident to construction shall be credited to the accounts chargeable with the expenditures necessary for restoring the damaged property. The cost of injuries and damages in connection with the removal of old structures which are encumbrances on newly acquired lands shall be included in the cost of land, or rights of way.

(8) Cost of privileges and permits includes compensation for temporary privileges, such as the use of private or public property or of streets, in connection with construction work.

(9) Taxes include taxes on property during construction and before the facilities are completed and ready for service. This includes taxes on land held under a definite plan for its use in pipeline service for the period prior to the completion of pipeline facilities thereon and other taxes separately assessed on property during construction, or assessed under conditions which permit separate identification or allocation of the amount chargeable to construction.

(10) Rent includes payments for use of facilities, such as motor vehicles, special tools or machines, and quarters used for construction work.

(11)(i) Interest during construction includes interest expense on bonds, notes and other interest bearing debt incurred in the construction of carrier property (less interest, if any, earned on funds temporarily invested) after such funds become available for use and before the receipt or the completion or coming into service of the property. The interest shall be included in the accounts charged with the cost of the property to which related.

(ii) There shall be deducted from such interest charges a proportion of premium on securities sold. There shall be added a proportion of discount and expense on funded debt issued for the acquisition or construction of carrier property. The amount of premium and discount and expense thus related shall be determined by the ratio which the period between the date the proceeds from the securities issued become available and the receipt, completion, or coming into service of the property bears to the entire life of the securities issued.

(12) Cost of disposing of excavated material shall be included in the cost of construction except that when such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work for which removal is made and the work for which the material is used.

3-4 *Additions.* Cost of additions to existing property shall be included in the appropriate primary property accounts except as provided in the minimum rule.

3-5 *Improvements.* Costs of improvements, subject to the minimum rule, shall be accounted for as follows:

(a) The cost of items replaced shall be retired and the cost of the improvement shall be charged to the appropriate property account except that the related labor expense shall be charged to the maintenance expense account.

(b) If the improvement does not involve a replacement, the cost of the improvement shall be charged to the appropriate property account.

3-6 *Replacements.* Replacements are substitutions of a part or of a complete unit of property with a new part or unit. Costs of replacements shall be accounted for as follows:

(a) In replacing a complete unit of property, the old unit shall be retired and the cost of the replacement recorded in the appropriate primary property account, subject to the minimum rule.

(b) In replacing a minor item without improvement, the cost of such replacement shall be charged to the maintenance expense account.

3-7 *Retirements.* The retirement of carrier property shall be accounted for as follows:

(a) *Land.* The book cost of land retired shall be removed from the property accounts. Gain or loss on the sale of land shall be recorded in account 640, Miscellaneous Income, or account 660, Miscellaneous Income Charges.

(b) *Property.* (1) The book cost of units of property retired and of minor items of property retired and not replaced shall be written out of the property account as of date of retirement, and the service value shall be charged to account 31, Accrued Depreciation—Carrier Property.

(2) In case of casualty loss, insurance proceeds recovered shall be credited to account 31, Accrued Depreciation—Carrier Property, in an amount not to exceed the book cost of the property involved. Any excess amount shall be credited to account 640, Miscellaneous Income.

(3) Carrier property no longer used nor held for carrier operations but used or intended for use in noncarrier operations shall be transferred, along with the amount of past accrued depreciation, estimated if necessary, to noncarrier property.

[32 FR 20241, Dec. 20, 1967, as amended at 40 FR 53248, Nov. 17, 1975]

3-8 *Salvage.* (a) When retired property is salvaged for material or parts which are to be reused by the carrier, the salvage shall be priced at current second-hand value, not to exceed original cost, and charged to account 17, Material and Supplies, or other appropriate account.

(b) When retired property is held without being dismantled, the estimated value of the salvage less the estimated cost of salvaging shall be included in account 19, Other Current Assets, if to be recovered within a year, otherwise, in account 43, Miscellaneous Other Assets.

3-9 *Relocation of line.* (a) If a line is relocated in the same gathering field serving the same lease or purpose, all of the relocating expenses whether or not a unit of property is involved shall be charged to maintenance expense, provided that the same size pipe is used in such relocation. Resulting increases or decreases in the length of the line shall be accounted for as additions or retirements of property.

(b) In accounting for relocation of trunk lines involving units of property, the replaced property shall be retired and the cost of the new property included in the appropriate primary property accounts. When public improvement projects are involved, the cost of the new property shall be (1) the book cost less depreciation or amortization of the replaced property, less the net salvage value recovered, plus (2) costs incurred by the carrier, less any amounts contributed by governmental agencies or others.

3-10 *Property contributed.* (a) The value of contributions or property received from others including governmental agencies shall not be recorded in the property accounts; however, memorandum entries should be made in the records of the carrier describing the property received, the value thereof, and all other pertinent information related thereto.

(b) Property contributed by an affiliate shall be recorded in the property accounts together with the related accrued depreciation at the same amounts that were recorded on the books of the affiliate provided, however, that the amount of contribution made by non-carrier affiliates shall not exceed the fair value of the property received.

3-11 *Acquisition by merger, consolidation or purchase.* Accounting for property acquired by business combination of two or more corporations, or the acquisition of properties comprising a distinct operating system, or integral portion thereof as specified in section 3-1, shall depend on whether there has been (1) a merger or consolidation in a "pooling of interests" or (2) a "purchase." A "pooling of interests" may exist when holders of all or substantially all of the ownership interests, usually common stock, in the constituent corporations or entities become the owners of a surviving corporation or a new corporation which owns the assets and business of the constituent corporations or entities directly or through one or more subsidiaries. However, when the stockholders of one of the constituent corporations obtain 90 percent or more of the voting interest in the combined enterprise; or when there is a plan or firm intention and understanding to retire a substantial part of the capital stock issued to the owners of one or more of the constituent corporations or substantial changes in ownership which occurred shortly before or planned to occur shortly after the combination, the combination may be considered a "purchase."

(a) *Accounting under a "pooling in interest."* (1) In accounting for a "pooling of interests," no new basis of accountability arises. The assets and liabilities of the constituent companies or entities and the related accrued depreciation and amortization accounts along with the retained income or deficit accounts shall be carried forward, adjusted, if necessary, to conform with the accounting rules of the Commission.

(2) When the total par value or stated value of no-par capital stock of the succeeding corporation is greater than that of the constituent corporations, the excess shall be charged first to the amount in account 73, Additional Paid-in Capital, that is not otherwise restricted, and the Balance to account 75, Unappropriated Retained Income.

(3) When the par value or stated value of no-par capital stock of the succeeding corporation is less than that of the constituent corporations, the difference shall be credited to account 73, Additional Paid-in Capital.

(b) *Accounting under a "purchase."* In accounting for a "purchase," the assets shall be recorded on the books of the acquiring carrier at cost as of the date of acquisition or, if other than money is given, at the fair value of such consideration. Liabilities assumed shall be recorded in the appropriate accounts according to the accounting rules of the Commission.

(c) *Approval of accounting.* (1) Tentative journal entries recording the acquisition of pipeline properties shall be submitted to the Commission for consideration and approval. The entries shall give a complete description of the property purchased and the basis upon which the amounts of the entries have been determined. Any portion of the purchase price attributable to intangible property shall be separately recorded as hereinafter provided in account 40, Organization Costs and Other Intangibles.

(2) When the costs of individual or groups of transportation property are not specified in the agreement or in supporting documents, or when separate costs are not provided for the physical property and the intangible property, the total purchase price shall be equitably apportioned among the appropriate property or other accounts, based on the percentage relationship between the purchase price and the original cost of property shown in the valuation records of the Commission or the fair market value of the properties. The portion of the total price assignable to the physical property shall be supported by independent appraisal or such other information as the Commission may consider appropriate. In no event shall amounts recorded for physical properties and other assets acquired exceed the total purchase price.

(3)(a) Where the purchase price is in excess of amounts recorded for the net assets acquired, such excess shall be included in account 40, Organization Costs and Other Intangibles.

(b) The excess of the purchase price over amounts includable in the primary carrier property accounts shall be amortized through account 660, "Miscellaneous income charges," or otherwise disposed of, as the Commission may approve or direct.

[32 FR 20241, Dec. 20, 1967, as amended by 35 FR 13992, Sept. 3, 1970; 37 FR 17713, Aug. 31, 1972]

3-12 *Reorganizations.* When a carrier is involved in receivership or bankruptcy so as to effect a reorganization, all accounting relating to the plan of reorganization shall be submitted to this Commission for consideration and approval.

3-13 *Disposition of former Account 193, Acquisition Adjustment.* Amounts included in former account 193, Acquisition Adjustment, attributable to mergers, consolidations, reorganizations, and purchases of property shall be cleared from that account as the Commission may authorize or direct upon submission of proposal for distribution of the amounts therein.

3-14 *Accounting units of property.* (a) This list of units is established for the purpose of designating the items of property, the cost of which shall be written out of the property accounts when the property is retired and replaced.

(b) When property is retired and not replaced the cost thereof shall be written out of the accounts whether or not designated a unit of property.

(c) A carrier desiring to include in any account an appropriate unit not now specified therein may, upon approval of the Commission, make such authorized addition to this list of units.

102, 152, RIGHT OF WAY

A section of right of way.

103, 153, LINE PIPE

1,500 feet of pipe 6 inches in diameter or larger contained in a continuous section.

3,000 feet of pipe of less than 6 inches in diameter contained in a continuous section.

104, 154, LINE PIPE FITTINGS

Fittings for pipe lines 6 inches or more in diameter contained in a continuous section of 1,500 feet of line pipe.

Fittings for pipe lines less than 6 inches in diameter contained in a continuous section of 3,000 feet of line pipe.

105, 155, PIPELINE CONSTRUCTION

The construction cost pertaining to a unit of line pipe.

106, 156, 176, BUILDINGS

A complete building.

An entire roof with or without supporting members.

A complete fire escape.

A complete heating system.

An elevator complete with operating mechanism.

107, 157, BOILERS

A complete boiler.

108, 158, PUMPING EQUIPMENT

A complete engine with or without foundation.

A complete pump with or without foundation.

A power-transmission system.

109, 159, 179, MACHINE TOOLS AND MACHINERY

A machine tool.

A foundation special to a machine.

A motor, generator, steam engine, pump, ventilating fan, or other similar equipment.

A coal-handling system.

An ash-handling system.

A furnace.

A boiler.

110, 160, OTHER STATION EQUIPMENT

Each complete item of property, the book cost of which was charged to the carrier property account.

111, 161, OIL TANKS

A complete oil tank with or without grade and fire walls.

A fire wall.

A tank grade.

112, 162, DELIVERY FACILITIES

A motor, generator, engine, pump, or similar equipment.

A delivery-pipe system.

A complete wharf.

A section of wharf.

A pile cluster or dolphin.

A complete loading or unloading rack.

A complete railroad siding.

113, 163, 183, COMMUNICATION SYSTEMS

TELEGRAPH, AND TELEPHONE TERMINAL EQUIPMENT

A complete switchboard.

TELEGRAPH AND TELEPHONE OUTSIDE PLANT

A continuous section of 1 mile of aerial wire.

A section of 1,000 feet of aerial cable.

A section of 500 feet of submarine cable.

A section of 500 feet of conduit.

A continuous section of 35 poles.

A case of equipment, such as loading coil or autotransformer.

RADIO AND WIRELESS EQUIPMENT

A transmitting set.

A receiving set.

An antenna, complete, or without supports.

114, 164, 184, OFFICE FURNITURE AND EQUIPMENT

Each complete item of furniture or equipment the book cost of which was charged to the carrier property account, such as: A desk, chair, table, davenport, typewriter, computing machine; a section of bookcase, filing cabinet; rug, carpet, or other floor covering for one room.

115, 165, 185, VEHICLES AND OTHER WORK EQUIPMENT

Each complete item of equipment the original cost of which was charged to the carrier property account, such as: A passenger automobile or truck with or without body; a tractor; a pole derrick, power winch, earthboring machine, or trailer.

116, 166, 186, OTHER PROPERTY

Each complete item of property the book cost of which was charged to the carrier property account.

[32 FR 20241, Dec. 20, 1967, as amended at 34 FR 15483, Oct. 4, 1969]

NOTE: The effective date of the amendments at 34 FR 15483, Oct. 4, 1969, was postponed until further order of the Commission, 34 FR 18307, Nov. 15, 1969.

INSTRUCTIONS FOR OPERATING REVENUES AND OPERATING EXPENSES

4-1 *Detail of accounts.* The carrier shall keep the prescribed accounts with sufficient particularity to permit the reporting of operating revenues and expenses for crude oil lines and for product lines separately, and to permit the allocation of operating expenses by service functions (see 4-3 Operating Expenses).

4-2 *Operating revenues.* The operating revenue accounts are designed to show the amount of money which the carrier becomes entitled to receive or which accrues to its benefit for transportation and services incidental thereto.

4-3 *Operating expenses.* The operating expense accounts are designed to show the costs of pipeline operations by service functions. The expenses of pipeline operations are to be allocated to the following functions:

(a) *Gathering.* This includes the gathering and collection of oil, oil products and other commodities from oil field, refinery, or other source (other than carrier's own terminal and delivery facilities), and transmission to point of connection to meters, working or storage tanks, or intake side of the manifold at the trunk line receiving site or station, or at a terminal.

(b) *Trunk.* This includes the trunk line transportation of crude oil, oil products and other commodities from origin or receiving station to point of connection with other carriers, consignee facilities at destination, or to the discharge side of the manifold or connection to working or storage tanks at the destination station.

(c) *Delivery.* This includes the receiving, storage, and delivering at terminal and delivery facilities of crude oil, oil products and other commodities from or to railroads, motor carriers, water carriers, and others prior or subsequent to movement by pipeline.

4-4 *Expense classification.* The primary expense accounts are to be reported under the following classifications:

(a) *Operations expense.* This group of accounts includes all costs directly associated with the operation of facilities devoted to pipeline operations including scheduling, dispatching, movement, and delivery of crude oil, oil products and other commodities.

(b) *Maintenance expense.* This group of accounts includes all costs directly associated with repairs and maintenance of property devoted to pipeline operations.

(c) *General expense.* This group of accounts includes general and administrative expense and all other expenses not directly allocable to operations and maintenance expenses.

4-5 *Expense distribution.* The several classes of expenses shall be directly allocated to applicable service functions to the fullest possible extent. Expenses common to two or more functions and system expenses shall be equitably apportioned to the service functions. The basis for apportionment and the underlying records in support thereof shall be readily available for inspection by the Commission's examiners.

BALANCE SHEET ACCOUNTS

10 Cash.

This account shall include money, checks, sight drafts and sight bills of exchange, money in banks or in other depositories subject to withdrawal on demand, and other similar items. The amount of checks and sight drafts transmitted to payees which are unpaid at the close of the accounting period shall be credited to this account.

NOTE: Compensating balances (see Definition 33) under an agreement which legally restricts the use of such funds shall not be included in this account. Such balances shall be included in account 10-5 "Special deposits" or account 22 "Sinking and other funds."

(49 U.S.C. 304, 913, 1012)

[32 FR 20241, Dec. 20, 1967, as amended at 41 FR 9158, Mar. 3, 1976]

10-5 Special deposits.

This account shall include cash deposits, either placed in hands of trustees or under the direct control of the reporting company, which are restricted for specific purposes. Examples are those deposits made for the payment of dividends and interest due within one year, the liquidation of other current liabilities, to guarantee fulfillment of current contract obligations, to meet specific operating requirements, or compensating balances (see Definition 33) under an agreement which legally restricts the use of such funds and which constitute support for short-term borrowing arrangements. Sub-accounts may be set up, if necessary to account for special deposits for specific purposes.

NOTE: Deposits available for general company purposes shall be included in account 10 "Cash."

(49 U.S.C. 304, 913, 1012)

[41 FR 9158, Mar. 3, 1976]

11 Temporary investments.

This account shall include the cost of securities and other collectible obligations acquired for the purpose of temporarily investing cash, such as United States Treasury certificates, marketable securities, time drafts receivable, demand loans, time loans, time deposits with banks and trust companies, and other similar investments of a temporary character.

This account shall be subdivided to reflect the marketable equity securities' portion (and its corresponding valuation allowance) and other temporary investments (See Instruction 1-15).

[32 FR 20241, Dec. 20, 1967, as amended at 42 FR 33298, June 30, 1977]

12 Notes receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable, contracts receivable, and similar evidences (except interest coupons) of money receivable on demand or within a time not exceeding one year from date of the balance sheet. Notes receivable from affiliates shall be included in account 13, Receivables from Affiliated Companies.

13 Receivables from affiliated companies.

This account shall include amounts receivable due and accrued from affiliated companies subject to settlement within one year from date of the balance sheet. This includes receivables for items such as revenue for services rendered, material furnished, rent, interest and dividends, advances and notes.

14 Accounts receivable.

This account shall include amounts receivable due and accrued from other than affiliates which are subject to settlement within one year from date of the balance sheet. This includes items such as revenue for services rendered, material furnished, rent, accounts of officers and employees, miscellaneous accounts with others.

15 Interest and dividends receivable.

(a) This account shall include the amount of interest due and accrued as of the date of the balance sheet on all interest-bearing obligations held by the carrier. This account shall also include the amount of dividends declared on stocks owned.

(b) Interest and dividends receivable from affiliated companies or on the carrier's own securities shall not be included in this account.

16 Oil inventory.

(a) This account shall include the cost of oil purchased and the value of oil acquired through tariff allowances and operating gains. Amounts paid preceding carriers for transportation, customs duties, or similar charges shall be charged to account 230, Allowance Oil Revenue. Additions to inventory from tariff allowances shall be credited to revenue at current value. Additions resulting from operating gains shall be credited against operating oil losses and shortages.

(b) The cost or value of oil owned by the carrier and used to maintain lines and working tanks in condition for transportation operations shall be included in account 33, Operating Oil Supply.

17 Material and supplies.

(a) This account shall include the cost, including sales, use and excise taxes and transportation costs to point of delivery, less purchase and trade discounts, of all unapplied material and supplies, such as line pipe, line pipe fittings, fuel, tools, and other pipeline supplies. The value of items being manufactured by the carrier and the fair value of salvaged material shall also be included herein.

(b) Carriers shall take annual inventories of material and supplies and shall make the adjustments necessary to reconcile the books to the inventory figures. To the extent practicable, adjustments shall be made directly to the same accounts to which such material and supplies were charged during the period. Differences that cannot be directly allocated shall be equitably apportioned among the accounts to which material was charged since the last inventory.

18 Prepayments.

This account shall include the amount of expenses paid in advance of accrual such as insurance, rent, and taxes, the benefits of which are to be realized in subsequent periods. Monthly transfers shall be made to the appropriate expense or other accounts for the expired portion of the prepayments applicable to that month.

19 Other current assets.

This account shall include such items as estimated tax refunds receivable, legally enforceable, balances due on subscriptions to capital stock, temporary guaranty and other deposits, and all other current assets due within one year which are not includible in the other current asset accounts.

19-5 Deferred income tax charges.

(a) This account shall include the portion of deferred income tax charges and credits relating to current assets and liabilities, when the balance is a net debit.

(b) A net credit balance shall be included in account 59, Deferred income tax credits.

[39 FR 33344, Sept. 17, 1974]

20 Investments in affiliated companies.

This account shall include the cost of investments in securities (other than securities held in special funds) and investment advances made to affiliated companies. Separate records shall be maintained to show the securities pledged and the following classes of investments in each affiliated company:

(a) Stocks.
(b) Bonds.
(c) Other secured obligations.
(d) Unsecured notes.
(e) Investment advances.

21 Other investments.

This account shall include the cost of investments in securities of (other than securities held in special funds) and advances made to other than affiliated companies. Separate records shall be maintained to show the securities pledged and the following classes of investments in each nonaffiliated company:

(a) Stocks.
(b) Bonds.
(c) Other secured obligations.
(d) Unsecured notes.
(e) Investment advances.

22 Sinking and other funds.

(a) This account shall include cash and cost of investment in securities and other assets, trusteed or otherwise restricted, that have been segregated in distinct funds for purposes of redeeming outstanding obligations; purchasing or replacing assets; paying pensions, relief, hospitalization, and other similar items. This account shall also include the cash value of life insurance policies on the lives of employees and officers to the extent that the carrier is the beneficiary of such policies. Separate subsidiary records shall be maintained for each distinct fund.

(b) Securities issued or assumed by the accounting company shall be recorded at par or stated value.

(c) This account shall include compensating balances (see Definition 34) under an agreement which legally restricts the use of such funds and which constitute support for long-term borrowing arrangements.

(49 U.S.C. 304, 913, 1012)

[32 FR 20241, Dec. 20, 1967, as amended at 41 FR 9158, Mar. 3, 1976]

23 Reductions in security values—Credit.

This account shall include provisions for losses in value of securities held as investments in affiliated or other companies, and including securities in funds. Concurrent charges shall be made to account 660, Miscellaneous Income Charges.

[32 FR 20241, Dec. 20, 1967, as amended at 40 FR 53248, Nov. 17, 1975]

24 Allowance for net unrealized loss on noncurrent marketable equity securities—Credit.

This account shall reflect the amount by which aggregate cost exceeds market value for the noncurrent marketable equity securities found in accounts 20 and 21. This account shall be debited or credited so that the balance at the balance sheet date shall reflect such difference. (Refer to Instruction 1-15.)

This account shall not include amounts by which aggregate cost exceeds market value if such differences are judged to be other than temporary. (Such differences should be charged to account 23.)

[42 FR 33298, June 30, 1977]

30 Carrier property.

This account shall include the cost of tangible property used in carrier service, or held for such use within a reasonable time under a definite plan for pipeline operations. Separate primary accounts are prescribed for each class of carrier property.

31 Accrued depreciation—Carrier property.

This account shall be credited with amounts charged to operating expenses or other accounts representing the loss in service value of depreciable carrier property. The service value of depreciable property retired shall be charged to this account. It shall also include other entries as may be authorized by the Commission. Detail of this account shall be maintained by primary property accounts.

32 Accrued amortization—Carrier property.

This account shall be credited with amounts charged to operating expenses or other accounts representing the loss in service value of carrier property subject to amortization accounting as authorized by the Commission. Upon the retirement of property subject to amortization this account shall be charged with the amount included herein applicable to the specific property at the time the property is retired. Subsidiary records shall be maintained for each group of property items under a separate amortization authorization.

33 Operating oil supply.

This account shall include the cost of oil purchased and the value of oil added through tariff allowances and operating gains which is used to maintain lines and tanks in working condition. Additions to operating supply from tariff allowances shall be credited to revenue at current value. Additions resulting from operating gains shall be credited against operating oil losses and shortages.

34 Noncarrier property.

This account shall include the cost of tangible property not used in carrier pipeline operations.

35 Accrued depreciation—Noncarrier property.

This account shall be credited with amounts charged to income, representing the loss in service value of depreciable noncarrier property.

40 Organization costs and other intangibles.

This account shall include the cost of intangible assets such as organizing the carrier, patents, permits, franchises, and goodwill. Organization costs include the legal expense, taxes, fees, stationery and printing, original capital stock expense and costs of economic feasibility studies made prior to initial operation of the carrier. Separate subsidiary records shall be maintained for each class of intangible asset.

41 Accrued amortization of intangibles.

This account shall be credited with the amounts charged to operating expenses or income representing the expired cost of intangible property. When the period of benefit of intangible property is fully expired, or assets are retired to which the intangible relates, this account shall be charged with the amount herein applicable to the specific property.

43 Miscellaneous other assets.

This account shall include such items as accounts receivable, utility deposits, guaranty deposits and other similar assets which are not expected to be realized or returned to the carrier within one year from date of the balance sheet. The estimated net salvage value of retired carrier property held without being dismantled shall be included in this account.

44 Other deferred charges.

This account shall include items that cannot be disposed of until further information is received and items of a deferred nature, not provided for elsewhere, to be amortized to expense or other accounts in future periods. This includes such items as engineering surveys and studies and debt expense.

45 Accumulated deferred income tax charges.

This account shall include the amount of deferred taxes (see definition 30(h)) determined in accordance with instruction 1-12 and the text of account 64, Accumulated deferred income tax credits, when the balance is a net debit.

[39 FR 33344, Sept. 17, 1974]

50 Notes payable.

This account shall include outstanding obligations in the form of notes, and other similar evidences of indebtedness payable on demand or within one year from the date of issue except those payable to affiliated companies.

NOTE: This account shall not include obligations due within one year which are intended to be refinanced on a long-term basis. Long-term refinancing of short-term obligations means; (1) replacement with long-term obligations or equity securities, or (2) renewal, extension, or replacement with short-term obligations for an uninterrupted period extending beyond one year from the balance sheet date.

The intention to refinance on a long-term basis shall be supported by the ability to refinance. Evidence of this ability includes either; (1) the actual issuance of a long-term obligation or equity securities for the purpose of refinancing the short-term obligation, after the balance sheet date but before the balance sheet is issued, or (2) before the balance sheet is issued, the existence of a financing agreement which is long-term and based on terms readily determinable with no existing violations of its provisions, and with a lender which is financially capable of honoring the agreement.

(49 U.S.C. 304, 913, 1012)

[32 FR 20241, Dec. 20, 1967, as amended at 41 FR 9163, Mar. 3, 1976]

51 Payables to affiliated companies.

This account shall include amounts payable due and accrued to affiliated companies (except interest and dividends) subject to settlement within one year from date of the balance sheet, and for which arrangements for long-term refinancing have not been made (See Note following account 50, "Notes Payable"). This includes payables for items such as services and material received, rent, advances and notes.

(49 U.S.C. 304, 913, 1012)
[41 FR 9163, Mar. 3, 1976]

52 Accounts payable.

This account shall include amounts payable due and accrued (except those to affiliated companies) subject to settlement within one year from the date of the balance sheet. This includes payables for items such as joint revenue, material and supplies, services received, rents, claims, taxes collected from employees and others for account of taxing entities, and other similar items.

53 Salaries and wages payable.

This account shall include salaries and wages payable due and accrued including vacation pay and unclaimed salaries and wages as of the balance sheet date. Unclaimed salaries and wages outstanding for more than one year may be written off to income unless the amount unclaimed escheats to the state.

54 Interest payable.

This account shall include interest accrued or payable on all obligations.

55 Dividends payable.

This account shall include the amount of dividends (other than stock dividends) declared but unpaid as of the date of the balance sheet.

56 Taxes payable.

This account shall include all Federal, state, and local taxes (except taxes withheld from employees) accrued and payable, estimated if necessary, as of the balance sheet date. Prepaid taxes shall be shown as current assets in account 18, Prepayments. Subsidiary records shall be maintained to allow analyses of this account by matured and unmatured taxes and by type of tax and taxing entity.

57 Long-term debt payable within one year.

This account shall include the amount of long-term debt which will mature and become payable within one year from date of the balance sheet for which arrangements for long-term refinancing have not been made (See note following account 50, "Notes Payable").

(49 U.S.C. 304, 913, 1012)
[41 FR 9163, Mar. 3, 1976]

58 Other current liabilities.

This account shall include all other current liabilities not provided for elsewhere that are payable within one year from date of balance sheet.

59 Deferred income tax credits.

(a) This account shall include the portion of deferred income tax charges and credits relating to current assets and liabilities, when the balance is a net credit.

(b) A net debit balance shall be included in account 19-5, Deferred income tax charges.

[39 FR 33344, Sept. 17, 1974]

60 Long-term debt payable after one year.

This account shall include the total par value of the carrier's outstanding obligations maturing more than one year from the date of the balance sheet, including obligations due within one year which are expected to be refinanced on a long-term basis (See note following account 52, "Accounts payable"). This account shall be divided to show the face value of (1) debt issued and actually outstanding, and (2) debt "nominally issued" and "nominally outstanding". These accounts shall be further divided by the following classes of debt: mortgage bonds, collateral trusts, income bonds, miscellaneous obligations and nonnegotiable debt to affiliated companies.

(49 U.S.C. 304, 913, 1012)
[41 FR 9163, Mar. 3, 1976]

61 Unamortized premium on long-term debt.

This account shall include the premium received and not yet amortized on the issuance of long-term debt. The amount of premium received on each issue of bonds, mortgages, notes, and other long-term debt shall be amortized over the life of the debt by credit to interest expense.

NOTE: Issue costs related to long-term debt (debt expense) shall be included in account 44. Other deferred charges, and amortized over the life of the debt by charge to account 660, Miscellaneous income charges.

[32 FR 20241, Dec. 20, 1967, as amended at 41 FR 52467, Nov. 30, 1976]

62 Unamortized discount and interest on long-term debt.

This account shall include the amount of discount on long-term debt, and the amount of interest expressly provided for and included in the face amount of obligations issued or assumed and not amortized as of the balance sheet date. The amount of discount or interest applicable to each issue of debt obligation shall be amortized over the life of the respective debt by charge to interest expense.

NOTE: Issue costs related to long-term debt (debt expense) shall be included in account 44, Other deferred charges, and amortized over the life of the debt by charge to account 660, Miscellaneous income charges.

[41 FR 52467, Nov. 30, 1976]

63 Other noncurrent liabilities.

(a) This account shall include such items as deferred revenue from rents or leases that will not be realizable as income within one year, and the liability for amounts contributed by employees or others for pensions, savings, and similar items. This account shall also include the amount accrued for pensions in which the employees have a vested right and which are administered by the carrier.

[32 FR 20241, Dec. 20, 1967, as amended at 39 FR 33344, Sept. 17, 1974]

64 Accumulated deferred income tax credits.

(a) This account shall be credited (charged) with amounts concurrently charged (credited) to account 671, Provision for deferred taxes and account 696, Provision for deferred taxes—extraordinary items, representing the net tax effect of material timing differences (see definitions 30 (g) and (e)) originating and reversing in the current accounting period.

(b) This account shall be credited with the amount of investment tax credit utilized in the current year for income tax purposes but deferred for accounting purposes (see instruction 1-12).

(c) This account shall be concurrently debited with amounts credited to account 671, Provision for deferred taxes representing amortization of amounts for investment tax credits deferred in prior accounting periods.

(d) This account shall be maintained in such a manner as to show separately: (1) the unamortized balance of deferred income taxes and deferred investment tax credit separately as of the beginning and as of the end of each year entries are made affecting the account balance, (2) the current years net credit or charges applicable to timing differences and deferred investment tax credits.

NOTE A: The portion of deferred charges and credits relating to current assets and liabilities should likewise be classified as current and included in account 19-5, Deferred income tax charges, or account 59, Deferred income tax credits, as appropriate.

NOTE B: This account shall include a net credit balance only. A net debit balance shall be recorded in account 45, Accumulated deferred income tax charges.

[39 FR 33344, Sept. 17, 1974, as amended at 40 FR 53248, Nov. 17, 1975]

70 Capital stock.

(a) This account shall include the par value of par value stock, stated value of no-par stock, and the amount received for no-par stock without stated value, which have been issued to bona fide purchasers and have not been reacquired and cancelled, also shares of stock nominally issued. When other than cash is received for no-par value stock, the fair market value of the consideration shall be entered in this account.

(b) This account shall be divided so as to show separately each class of stock issued, subdivided between (1) issued and outstanding, and (2) nominally issued and nominally outstanding.

(c) When an issue of capital stock or any part thereof is reacquired, either by purchase or donation, and is retired or cancelled, the par value shall be charged to this account. Any excess of reacquisition cost over par value shall be allocated between account 73, Additional Paid-in-Capital and 720, Other Debits to Retained Income. Any excess of par value over reacquisition cost shall be credited to account 73, Additional Paid-in-Capital.

(d) When an issue of capital stock or any part thereof is reacquired, either by purchase or donation, and is not retired or cancelled, nor properly includible in sinking or other funds, the reacquisition cost shall be charged to account 76, Treasury Stock.

(e) When treasury stock is resold, account 76, Treasury Stock, shall be credited with the cost paid for it. Gains shall be credited to account 73, Additional Paid-in-Capital. Losses shall be charged to account 73, Additional Paid-in-Capital to the extent that previous net gains from sales or retirements of the same class of stock are included therein; otherwise, to account 720, Other Debits to Retained Income.

[40 FR 44562, Sept. 29, 1975]

71 Premiums on capital stock.

This account shall include the excess of the actual cash value of the consideration received at the time of the original sale over the par or stated value of the stock issued.

72 Capital stock subscriptions.

This account shall include the full amount of the par value, stated value, or price agreed upon for no-par stock which has been subscribed under a legally binding purchase agreement. The difference between the par value or stated value, plus any premiums or the amount agreed upon for no-par stock, and the down payment or installments received, shall be recorded as a current asset in account 19, Other Current Assets. Appropriate subaccounts shall be kept to record separately the transactions for each class and series of stock involved.

73 Additional paid-in capital.

This account shall include gains from purchase and resale of reacquired stock. Credits attributable to reductions in the par or stated value of capital stock may be included in this account only when approved by the Commission. Separate subaccounts shall be maintained for each class and series of stock. Also include herein contributions to capital made by stockholders and others.

74 Appropriated retained income.

This account shall include retained income which has been appropriated and set aside under contractual or legal requirements and for other specific purposes, such as the retirement of bonded indebtedness, contingencies, redemption of preferred capital stock; fire losses; plant replacement and additions; miscellaneous employee benefits; and similar items. Appropriations shall be released when their respective purposes have been served. Separate subaccounts shall be maintained for each specific purpose for which retained income is appropriated.

75 Unappropriated retained income.

(a) This account shall include retained income which has not been appropriated or set aside for specific purposes. There shall be no transfers to or from account 73, Additional Paid-in Capital, to this account unless so authorized by the Commission.

(b) The balance of accounts 700 to 750, inclusive, shall be closed to this account at the end of each calendar year.

[32 FR 20241, Dec. 20, 1967, as amended at 34 FR 15483, Oct. 4, 1969; 37 FR 17714, Aug. 31, 1972]

NOTE: The effective date of the amendments at 34 FR 15483, Oct. 4, 1969, was postponed until further order of the Commission, 34 FR 18307, Nov. 15, 1969.

75.5 Net unrealized loss on noncurrent marketable equity securities.

This account shall include the accumulated changes in account 24 to the extent that these changes represent a net unrealized loss (aggregate cost exceeds market value).

[42 FR 33298, June 30, 1977]

76 Treasury stock.

(a) This account shall include in subdivisions for each class the reacquisition cost of capital stock which has been actually issued or assumed by the carrier, then reacquired, and is neither retired nor cancelled, nor properly includible in sinking or other funds.

(b) This account shall be maintained to reflect separately securities pledged or unpledged.

(c) This account shall be shown on the Balance Sheet as a deduction in arriving at Stockholders' Equity.

NOTE A: The accounting for the reacquisition of capital stock and resale thereof shall be in accordance with balance sheet account 70, paragraphs (c) through (e).

[40 FR 44562, Sept. 29, 1975]

CARRIER PROPERTY ACCOUNTS

The following table lists the prescribed primary property accounts and indicates those accounts which contain similar items of property for which a single text is provided. The accounts are to be kept separately for crude oil lines and for product lines.

Account Number			Account Title
Gathering Lines	Trunk Lines	General	
101	151	171	Land.
102	152		Right of Way.
103	153		Line Pipe.
104	154		Line Pipe Fittings.
105	155		Pipeline Construction.
106	156	176	Buildings.
107	157		Boilers.
108	158		Pumping Equipment.
109	159	179	Machine Tools and Machinery.
110	160		Other Station Equipment.
111	161		Oil Tanks.
112	162		Delivery Facilities.
113	163	183	Communication Systems.
114	164	184	Office Furniture and Equipment.
115	165	185	Vehicles and Other Work Equipment.
116	166	186	Other Property.
•		187	Construction Work in Progress.

101, 151, 171 Land.

(a) This account shall include the cost of land held in fee and used in pipeline operations. Land not used in carrier service shall be recorded in account 34, Noncarrier Property. Irregular parcels of land without commercial value acquired with rights of way shall not be transferred to account 34 solely to make right of way boundries regular.

(b) The cost of land and buildings acquired together shall be equitably separated and recorded. When land is acquired with buildings, structures, or other encumbrances that must be removed before the land is usable, demolition cost, less salvage, shall be added to the book cost of the land. Net proceeds from the sale of timber, minerals and improvements which were part of the land cost when purchased by the carrier, shall be credited to this account up to the amount of the purchase price allocated as their cost. Any excess shall be credited to account 640, Miscellaneous Income.

(c) Costs of filing, clearing, grading or leveling land, when such work is not directly associated with construction or a definite plan for construction, shall be charged to this account.

(d) All direct or incidental costs associated with the acquisition of the land and any taxes and public assessments assumed at the time of purchase, shall be included in this account.

(e) Special assessments for public improvements and also costs borne by the carrier for public improvements constructed by it shall be included in this account.

[32 FR 20241, Dec. 20, 1967, as amended at 40 FR 53248, Nov. 17, 1975]

102, 152 Right of way.

This account shall include the cost of obtaining rights of way used in pipeline operations. Periodic rents paid for the use of a right of way shall be charged to operating rents. Costs of filling, clearing, grading or leveling of a right of way when such work is not directly associated with construction or a definite plan for construction, shall be charged to this account.

103, 153 Line pipe.

This account shall include the cost of all line pipe actually laid in pipe lines devoted to transportation service.

104, 154 Line pipe fittings.

This account shall include the cost of the line pipe fittings, including manifolds, used in pipe lines devoted to transportation service.

105, 155 Pipeline construction.

(a) This account shall include all the costs of constructing pipe lines except the cost of line pipe and fittings provided for in accounts 103, 153, Line Pipe, and 104, 154, Line Pipe Fittings.

(b) Includible shall be the cost of labor and materials such as casing and vent pipe, pipe coatings of all kinds, river weights, support structures, sand bags, valve boxes, cathodic protection devices, mile posts, right-of-way markers, excavating and backfilling, pipeline pits, and the cost of damages paid for the destruction of crops, timber, and other property during construction. The cost of reopening the trenches for repairs, or installation of casing, coating or cathodic protection, and the necessary backfilling shall be charged to maintenance expense.

106, 156, 176 Buildings.

This account shall include the cost of all buildings including the foundations, fixtures, and appurtenances thereto. This includes such items as architects' fees, sidewalks, driveways, fences, permanent water rights, grading and preparing grounds before and after construction, utility lines and other service piping. Cost of restoring grounds after repair work shall be charged to maintenance expense.

107, 157 Boilers.

This account shall include the cost of boilers, including accessories and attachments such as injectors, water gages, steam gages and fittings, and the cost of special boiler foundations and installations.

108, 158 Pumping equipment.

This account shall include the cost of engines, motors, pumps, and all other pumping equipment, and the cost of special foundations and installation.

109, 159, 179 Machine tools and machinery.

This account shall include the cost of machine tools and machinery, including the cost of their special foundations and installation.

110, 160 Other station equipment.

This account shall include the cost of all station equipment not provided for elsewhere, such as electric light, gas, and refrigeration equipment, manifolds, and miscellaneous equipment and fittings. It shall also include the carrier's investment in tracks if located at and used in connection with a station.

111, 161 Oil tanks.

This account shall include the cost of oil tanks, including grades, roofs, fire banks, steam coils, swing pipes, inlet valves, and outlet valves.

112, 162 Delivery facilities.

This account shall include the cost of facilities for receiving or delivering oil and oil products from or to water carriers, railroads, motor carriers, and others, such as delivery racks, wharves (including buildings thereon), docks, and slips, including piling, pile protection, cribs, cofferdams, walls, and other necessary devices and apparatus for the operation or protection of such property. It shall also include the cost of engines, pumps, and boilers at loading racks and on wharves, the construction of oil-pipe lines between oil tanks and delivery facilities, and the carrier's investment in tracks if located at and used in connection with delivery facilities.

113, 163, 183 Communication systems.

This account shall include the cost of telegraph, wireless, telephone, and radio equipment.

114, 164, 184 Office furniture and equipment.

This account shall include the cost of all office furniture, equipment and fixtures, including such items as safes, desks, chairs, typewriters, accounting machines, cabinets, file cabinets, floor coverings, portable air conditioners, drinking fountains, and other similar items that are not an integral part of a building.

115, 165, 185 Vehicles and other work equipment.

This account shall include the cost of motor and other vehicles, motor and other portable work equipment, garage equipment, and portable tools and machines such as drills, hoists, jacks, power mowers, stocks and dies, laying tongs, vises, air compressors, welding machines, valve reseating machines, pipe-cleaning machines, and concrete mixers, not specifically provided for in other accounts.

116, 166, 186 Other property.

This account shall include the cost of property used in pipeline operations not provided for elsewhere.

187 Construction work in progress.

This account shall include the cost of carrier property under construction and the cost of land acquired for such construction as of the date of the balance sheet. It includes interest and taxes during construction, material and supplies delivered to the construction site, and other expenditures that will eventually be part of the cost of the completed property. When construction work is completed, the cost included in this account shall be transferred to the appropriate primary property accounts. Subsidiary records shall be maintained for each construction project. When part of a project under construction is completed and put into service, the costs applicable to that portion shall be transferred to the appropriate property account.

OPERATING REVENUES

200 Gathering revenues.

This account shall include revenues on the basis of tariff charges for the gathering or collection of crude oil, oil products and other commodities.

210 Trunk revenues.

This account shall include revenues on the basis of tariff charges for trunk line transportation of crude oil, oil products or other commodities.

220 Delivery revenues.

This account shall include revenues on the basis of tariff charges for receiving, delivering, unloading and loading fees at carrier terminal and delivery facilities.

230 Allowance oil revenue.

(a) This account shall include the current value of oil acquired through tariff allowances taken into inventory or retained in the line for operating oil supply, and the selling price of such oil sold not previously recorded in inventory or operating oil supply.

(b) Profits and losses on sales of allowance oil from inventory or operating supply shall be included in this account.

240 Storage and demurrage revenue.

This account shall include revenues on the basis of tariff charges for the storage of oil; also demurrage charges incident to failure of consignees to receive shipments promptly.

250 Rental revenue.

This account shall include the revenues from renting or subrenting property, the cost of which is included in the accounts for investment in carrier property.

260 Incidental revenue.

This account shall include revenues incidental to carrier operations and not includible in other revenue accounts.

OPERATING EXPENSES

Operations

300 Salaries and wages.

This account shall include the salaries and wages (including pay for holidays, vacations, sick leave, and similar payroll disbursements) of supervisory and other personnel directly engaged in transportation operations.

310 Supplies and expenses.

This account shall include the cost of supplies consumed and expended in operations, including the expenses of aircraft and vehicle operation; travel and other expenses of operating employees; and other related expenses of operations.

320 Outside services.

This account shall include the cost of operating services provided by other than company forces under contract, agreement or other arrangement. The cost of services performed by affiliated companies shall be segregated within the account.

330 Operating fuel and power.

This account shall include the cost of fuel and power consumed and expended in operations. The cost of normal utilities services shall be included herein when such costs are directly allocable to operations.

340 Oil losses and shortages.

(a) This account shall include the cost of settlements with shippers for oil lost or undelivered due to operating causes during the course of transportation.

(b) The value of oil gains from operations shall be credited to this account at current value at time of determination of gain and charged to oil inventory or operating supply.

Maintenance

400 Salaries and wages.

This account shall include the salaries and wages (including pay for holidays, vacations, sick leave, and similar payroll disbursements) of supervisory and other personnel directly engaged in the maintenance and repair of transportation property.

410 Supplies and expenses.

This account shall include the cost of supplies consumed and expended in support of the maintenance activity, including the expenses of operating aircraft, vehicles, and work equipment; travel and other expenses of maintenance employees; and other related maintenance expense.

420 Outside services.

This account shall include the cost of maintenance services provided by other than company forces under contract agreement or other arrangement. The cost of services performed by affiliated companies shall be segregated within the account.

430 Maintenance materials.

This account shall include the cost of materials applied in the repair and maintenance of transportation property. The salvage value of materials recovered in maintenance work shall be credited to this account.

General

500 Salaries and wages.

This account shall include the salaries and wages (including pay for holidays, vacations, sick leave, and similar payroll disbursements) of executives and general officers, general office personnel, and of other employees whose wages cannot be directly allocated to operations or maintenance.

510 Supplies and expenses.

This account shall include the cost of supplies consumed and expended for administration and general services, including the expenses of aircraft and vehicles used for general purposes; travel and other expenses of general employees and officers; utilities services; and all other incidental general expenses.

520 Outside services.

This account shall include the cost of management and general and administrative services provided by other than company forces under contract, agreement or other arrangement. The cost of services performed by affiliated companies shall be segregated within the account.

530 Rentals.

This account shall include the cost of renting property used in carrier transportation service, such as a complete pipeline or segment thereof, office space, land and buildings, and other equipment and facilities.

540 Depreciation and amortization.

This account shall include charges for the depreciation and amortization of transportation property. Charges for the amortization of fixed term intangibles relating to common carrier operations shall also be included herein.

550 Pensions and benefits.

This account shall include the cost to the carrier of annuities and pensions for active or retired employees, their beneficiaries or designees. Contributions to health or welfare funds or payment for similar benefits to or on behalf of employees shall be included herein. Premiums, to the extent borne by the carrier, for group life, health, accident and other beneficial insurance for employees shall also be included in this account.

560 Insurance.

(a) This account shall include the cost of commercial insurance to protect the carrier against losses and damages in its pipeline operations such as injuries to or deaths of employees and other persons, damages to or destruction of carrier property or the property of others, and other business risks and hazards pertaining to transportation operations.

(b) The carrier shall not accrue amounts for the purpose of estimating risk of loss or damage to its property from fire, theft, or similar loss contingencies not covered by commercial insurance.

Note: Insurance or other reimbursement for loss or damage shall be credited to the same account charged with the loss or expense.

(49 U.S.C. 304, 913, 1012)

[32 FR 20241, Dec. 20, 1967, as amended at 41 FR 32597, Aug. 4, 1976]

570 Casualty and other losses.

(a) This account shall include the amount of expense sustained by the carrier on account of loss or damage to oil or other commodity entrusted to it for transportation or storage resulting from fire, flood, or other casualty.

(b) Expenses on account of damage and destruction to property of others from all causes; and the expense of repairing damages to transportation property caused by casualty shall also be included herein.

(c) This account shall also include expenses incurred on account of injury to or death of employees or other persons including related medical, hospital and funeral expenses.

Note: The cost of oil lost or undelivered through operating causes shall be charged to account 340, Oil Losses and Shortages.

580 Pipeline taxes.

(a) This account shall include accruals for taxes of all kinds, excepting income taxes (see definition 30(a)), relating to carrier property, operations, privileges and licenses.

(b) The detail of this account shall show separately the amounts levied by the Federal government and by each state.

[32 FR 20241, Dec. 20, 1967, as amended at 39 FR 33345, Sept. 17, 1974]

INCOME ACCOUNTS

Ordinary Items

Credit

600 Operating revenues.

This account shall include the total revenues included in the operating revenue accounts for the calendar year.

620 Income (net) from noncarrier property.

(a) This account shall include all noncarrier revenues and expenses from property carried in account 34, Noncarrier Property.

(b) All expenses related to noncarrier property, such as operation and maintenance expenses, depreciation, taxes (except Federal income taxes) and similar expenses, are includible herein.

630 Interest and dividend income.

(a) This account shall include interest accruing to the carrier on securities of others, loans, notes and advances, deposits, and all other interest bearing assets. Also include the amount of amortized premium or discount related to such assets.

(b) This account shall also include the amount of dividends declared on stocks of others owned by the carrier.

(c) Income shall not be included in this account unless receipt thereof is reasonably assured.

640 Miscellaneous income.

(a) This account shall include income not provided for elsewhere creditable to income accounts for the current year, such as unclaimed wages written off, profit on sales of land and noncarrier, property, profit on sales of investment securities, profit from company bonds reacquired, and decreases in the valuation allowance (contained within account 11) for the marketable equity securities included in current assets.

(b) Gains from extinguishment of debt shall be aggregated and, if material, credited to account 680, Extraordinary Items, upon approval by the Commission.

[32 FR 20241, Dec. 20, 1967, as amended at 40 FR 53248, Nov. 17, 1975; 42 FR 33298, June 30, 1977]

645 Unusual or infrequent items (credit).

Included in this account shall be material items unusual in nature or infrequent in occurrence, but not both, accounted for in the current year in accordance with the text of instruction 1-6, upon approval by the Commission.

[40 FR 53248, Nov. 17, 1975]

DEBIT

610 Operating expenses.

This account shall include the total expenses included in the operating expense accounts for the calendar year.

650 Interest expense.

This account shall include interest expense on all classes of debt except interest pertaining to construction of property. This account shall also include the amortization of long-term debt premium and discount. Charges for interest on carrier debt obligations previously issued and now held by or for the carrier shall not be recorded in this account.

660 Miscellaneous income charges.

(a) This account shall include income charges not provided for elsewhere chargeable to income accounts for the current year, such as amortization of debt expense, losses on sale or disposition of land and noncarrier property, losses on sales or reductions in value of investment securities (including increases in the valuation allowance within account 11 for the marketable equity securities included in current assets), bad debts, losses on company bonds reacquired, taxes (other than Federal income taxes) on investment securities, trust management expenses, amortization of intangibles which are not restricted to a fixed term, and the difference between the premium and the added cash surrender value of life insurance on officers and employees when the carrier is beneficiary.

(b) Losses from extinguishment of debt shall be aggregated and, if material, charged to account 680, Extraordinary Items, upon approval by the Commission.

[32 FR 20241, Dec. 20, 1967, as amended at 34 FR 15484, Oct. 4, 1969; 37 FR 17714, Aug. 31, 1972; 40 FR 53248, Nov. 17, 1975; 42 FR 33298, June 30, 1977]

NOTE: The effective date of the amendments at 34 FR 15483, Oct. 4, 1969, was postponed until further order of the Commission, 34 FR 18307, Nov. 15, 1969.

665 Unusual or infrequent items (debit).

Included in this account shall be material items unusual in nature or infrequent in occurrence, but not both, accounted for in the current year in accordance with the text of instruction 1-6, upon approval by the Commission.

[40 FR 53248, Nov. 17, 1975]

670 Federal income taxes on income from continuing operations.

(a) This account shall be debited with the monthly accruals for all income taxes which are estimated to be payable and which are applicable to ordinary income (see instruction 1-12). See the texts of account 695, Income Taxes on Extraordinary Items, account 710, Other Credits to Retained Income, and account 720, Other Debits to Retained Income, for recording other income tax consequences.

(b) Details pertaining to the tax consequences of other unusual and significant items, and also cases where tax consequences are disproportionate to related amounts included in income accounts, shall be submitted to the Commission for consideration and decision as to proper accounting.

[32 FR 20241, Dec. 20, 1967, as amended at 39 FR 33345, Sept. 17, 1974; 40 FR 53248, Nov. 17, 1975]

671 Provision for deferred taxes.

(a) This account shall include the net tax effect of all material timing differences (see definitions 30 (g) and (e)) originating and reversing in the current accounting period, and the future tax benefits of loss carryforwards recognized in accordance with instruction 1-12(c).

(b) This account shall include credits for the amortization of the investment tax credit if the carrier elected to use the deferred method of accounting for the investment tax credit. (See instruction 1-12(d)).

[39 FR 33345, Sept. 17, 1974]

DISCONTINUED OPERATIONS

675 Income (loss) from operations of discontinued segments.

This account shall include the results of operations of a segment of a business (see definition 32(a)), after giving effect to income tax consequences that has been or will be discontinued in accordance with the text of instruction 1-6, upon approval by the Commission.

[40 FR 53249, Nov. 17, 1975]

676 Gain (loss) on disposal of discontinued segments.

This account shall include the gain or loss from the disposal of a segment of a business, after giving effect to income tax consequences, in accordance with the text of instruction 1-6, upon approval by the Commission.

[40 FR 53249, Nov. 17, 1975]

EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES

680 Extraordinary items (net).

(a) This account shall include extraordinary items accounted for during the current accounting year in accordance with the text of instruction 1-6, upon submission of a letter from the carrier's independent accountants, approving or otherwise commenting on the item and upon approval by the Commission.

(b) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

(c) Federal income tax consequences of charges and credits to this account shall be recorded in account 695, Income Taxes on Extraordinary Items, or account 696, Provision for Deferred Taxes—Extraordinary Items, as applicable.

[40 FR 53249, Nov. 17, 1975]

695 Income taxes on extraordinary items.

This account shall include the estimated income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which for accounting purposes are classified extraordinary, and are recorded in account 680, Extraordinary Items (Net). The tax effect of any timing differences caused by recognizing an item in the account provided for extraordinary items in different periods in determining accounting income and taxable income shall be included in acount 696, Provision for Deferred Taxes—Extraordinary Items.

[40 FR 53249, Nov. 17, 1975]

696 Provision for deferred taxes—extraordinary items.

This account shall include debits or credits for the current accounting period for income taxes deferred currently, or for amortization of income taxes deferred in prior accounting periods applicable to items of revenue or expense included in account 680, Extraordinary Items (Net) (See instruction 1-12).

[40 FR 53249, Nov. 17, 1975]

697 Cumulative effect of changes in accounting principles.

This account shall include the cumulative effect of changing to a new accounting principle, after giving effect to income tax consequences, in accordance with instruction 1-6, upon approval by the Commission.

[40 FR 53249, Nov. 17, 1975]

Retained Income Accounts

700 Net balance transferred from income.

This account shall include net income (or deficit) for the calendar year.

705 Prior period adjustments to beginning retained income account.

This account shall include adjustments after giving income tax effect, in accordance with the text of instruction 1-6, to the balance in the retained income account at the beginning of the calendar year, upon approval by the Commission.

[40 FR 53249, Nov. 17, 1975]

710 Other credits to retained income.

This account shall include other credit adjustments, net of assigned Federal income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

720 Other debits to retained income.

This account shall include losses from resale of reacquired capital stock, and charges which reduce or write off discount on capital stock issued by the company, but only to the extent that such charges exceed credit balances in account 73, Additional Paid-In Capital, for shares reacquired. This account shall also include other debit adjustments, net of assigned Federal income taxes, not provided for elsewhere in this system of accounts, but only after such inclusion has been authorized by the Commission.

740 Appropriations of retained income.

This account shall include appropriations made from retained income during the calendar year. Appropriations charged to this account shall be credited to account 74, Appropriated Retained Income.

750 Dividend appropriations of retained income.

This account shall include the amount of dividends declared during the calendar year on all classes of outstanding capital stock. Stock reacquired and owned by the carrier shall not be subject to dividends. Subsidiary records shall be kept to show separately the dividends declared on each type and class of capital stock. When dividends are paid in other than money, complete detail of each transaction shall be maintained.

797 FORM OF BALANCE SHEET STATEMENT

ASSETS

CURRENT ASSETS

10 Cash.
10.5 Special deposits.
11 Temporary Investments.
12 Notes Receivable.
13 Receivables from Affiliated Companies.
14 Accounts Receivable.
15 Interest and Dividends Receivable.
16 Oil Inventory.
17 Material and Supplies.
18 Prepayments.
19 Other Current Assets.
19-5 Deferred Income Tax Charges
Total current assets

INVESTMENTS AND SPECIAL FUNDS

20 Investments in Affiliated Companies.
21 Other Investments.
22 Sinking and Other Funds.
23 Reductions in Security Values—Credit.
24 Allowance for Net Unrealized Loss on Noncurrent Marketable Equity Securities—Credit.
Total investments and special funds.

TANGIBLE PROPERTY

30 Carrier Property.
31 Accrued Depreciation—Carrier Property.
32 Accrued Amortization—Carrier Property.
33 Operating Oil Supply.
34 Noncarrier Property.
35 Accrued Depreciation—Noncarrier Property.
Total tangible property.

OTHER ASSETS AND DEFERRED CHARGES

40 Organization Costs and Other Intangibles.
41 Accrued Amortization of Intangibles.
43 Miscellaneous Other Assets.
44 Other Deferred Charges.
45 Accumulated deferred income tax charges.
Total other assets and deferred charges.
Total Assets.

Liabilities and Stockholders' Equity

LIABILITIES

CURRENT LIABILITIES

50 Notes Payable
51 Payables to Affiliated Companies
52 Accounts Payable
53 Salaries and Wages Payable
54 Interest Payable
55 Dividends Payable
56 Taxes Payable
57 Long-Term Debt Payable Within One Year
58 Other Current Liabilities
59 Deferred income tax credits.
Total current liabilities

NONCURRENT LIABILITIES

60 Long-Term Debt Payable After One Year
61 Unamortized Premium on Long-Term Debt
62 Unamortized Discount and Interest on Long-term Debt.
63 Other Noncurrent Liabilities
64 Accumulated deferred income tax credits.
Total noncurrent liabilities
Total Liabilities

STOCKHOLDERS' EQUITY

70 Capital Stock
71 Premiums on Capital Stock
72 Capital Stock Subscriptions
73 Additional Paid-In Capital
74 Appropriated Retained Income
75 Unappropriated Retained Income
75-5 Unrealized Loss on Noncarrier Marketable Equity Securities.
Total Stockholders' Equity
Total Liabilities and Stockholders' Equity
76 Treasury stock.
Total Stockholders' Equity.

798 FORM OF INCOME STATEMENT

INCOME STATEMENT

ORDINARY ITEMS

Carrier Operating Income

600 Operating Revenues
610 Operating Expenses
Net carrier operating income

Other Income and Deductions

620 Income (Net) from Noncarrier Property.
630 Interest and Dividend Income (dividends from other than affiliates)
640 Miscellaneous Income
645 Unusual or Infrequent Items (Credit).
650 Interest Expense
660 Miscellaneous Income Charges
Income from affiliated companies
  Dividends
  Equity in undistributed earnings (losses)
Total other income and deductions.
665 Unusual or Infrequent Items (Debit).
670 Federal Income Taxes on Income from Continuing Operations.
671 Provision for deferred taxes.

DISCOUNTINUED OPERATIONS

675 Income (Loss) from Operations of Discontinued Segments. (Less Applicable Income Taxes of $——).
676 Gain (Loss) from Disposition of Discontinued Segments (Less Applicable Income Taxes of $——).
Income (Loss) before Extraordinary Items.

EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES

680 Extraordinary items (net).
695 Income Taxes on Extraordinary Items.
696 Provision for Deferred Taxes—Extraordinary Items.

TOTAL EXTRAORDINARY ITEMS

697 Cumulative Effect of Changes in Accounting Principles (Less Applicable Income Taxes of $——).
Net Income (Loss).

799 FORM OF UNAPPROPRIATED RETAINED INCOME STATEMENT

Unappropriated Retained Income Statement

75 Unappropriated retained income (beginning of year).
700 Net balance transferred from income.
705 Prior Period Adjustments to Beginning Retained Income Account.
710 Other credits to retained income.
720 Other debits to retained income.
740 Appropriations of retained income.
750 Dividend appropriations of retained income.
75 Unappropriated retained income (end of year).

[32 FR 20241, Dec. 20, 1967, as amended at 37 FR 17714, Aug. 31, 1972; 39 FR 33345, Sept. 17, 1974; 39 FR 34044, Sept. 23, 1974; 40 FR 53249, Nov. 17, 1975; 41 FR 52467, Nov. 30, 1976; 42 FR 33298, June 30, 1977]

PART 1220—PRESERVATION OF RECORDS

Special Note: Section 20(7)(b) of the Interstate Commerce Act includes the following provision:

Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, or in the accounts of any book of accounts or in any records or memoranda kept by a carrier, or required under this section to be kept by a lessor or other person, or who shall knowingly and willfully destroy, mutilate, alter, or by any other means or device falsify the record of any such accounts, records, or memoranda, * * * shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment: *Provided*, That the Commission may in its discretion issue orders specifying such operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents of such carriers, lessors, or other persons as may, after a reasonable time, be destroyed, and prescribing the length of time the same shall be preserved.

Sec.
1220.0 Applicability.
1220.1 Purpose.
1220.2 Designation of supervisory official.
1220.3 Availability of records.
1220.4 Protection and storage of records.
1220.5 Preservation of records.
1220.6 Destruction of records.
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1220.8 Companies going out of business.
1220.9 Waiver of requirements of these regulations.
1220.10 Schedule of records and periods of retention.

Authority: Sec. 5a(3), 62 Stat. 472; 49 U.S.C. 5b; Secs. 12, 20, 24 Stat. 383 as amended, 386, as amended; 49 U.S.C. 12, 20; Secs. 204, 220, 49 Stat. 546 as amended, 563, as amended; 49 U.S.C. 304, 320; Secs. 304, 313, 317, 54 Stat. 933, 944, as amended; 49 U.S.C. 904, 913, 917; and Secs. 403, 412, 56 Stat. 285, as amended; 294, as amended; 49 U.S.C. 1003, 1012 unless otherwise indicated.

Source: 40 FR 50385, Oct. 29, 1975, unless otherwise noted.

§ 1220.0 Applicability.

Before destroying any operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, reports, or documents the following companies and persons subject to the provisions of the Interstate Commerce Act shall comply with the regulations in this part:

Railroad companies
Electric railway companies
Express companies
Pipeline companies
Persons furnishing cars to railroads
Motor carriers and brokers
Water carriers
Freight forwarders
Rate-making organizations

This part applies also to the preservation of accounts, records, and memoranda of traffic associations, demurrage and car service bureaus, weighing and inspection bureaus, and other joint activities maintained by or on behalf of companies listed in the above paragraph of this subpart.

§ 1220.1 Purpose.

The regulations in this part prescribe the minimum length of time records shall be preserved, after which they may be destroyed. Mention of a record imposes no requirement that such a record be maintained if the information recorded is not requested by provisions of the Interstate Commerce Act or this Commission, or if its purpose is otherwise being adequately served. The provisions of this part shall not be construed as excusing compliance with the lawful requirements of any other governmental body, Federal or State, prescribing longer retention periods for any category of records.

§ 1220.2 Designation of supervisory official.

(a) Each company subject to the provision of this part shall appoint an officer or other responsible employee to supervise the preservation and authorized destruction of records. Such appointment shall be by formal corporate act of the Board of Directors or its executive committee or, if the company is not incorporated, by formal designation of the owners.

(1) Designation may be made by title only, rather than by name and title, and thus obviate the necessity for a new resolution or order each time a successor is appointed.

(b) If the property of the company is in the hands of a trustee, executor, administrator, or assignee, the officer or other responsible employee supervising the preservation and destruction of records shall be designated by such trustee, executor, administrator, or assignee.

(c) Authority to supervise the destruction of company records maintained by an association, joint bureau, etc. may be delegated to the manager or other chief officer.

(d) A company, at its option, may by a formal act of appointment delegate to a bank, trust company, or similar institution having custody of its records in the normal course of business, the authority to destroy such records upon compliance with the requirements of regulations in this part.

(e) Copies of the resolution or orders of appointment need not be filed with the Commission but shall be available for inspection by the Commission's duly authorized representatives.

§ 1220.3 Availability of records.

At each office where records are kept or stored, such records as are herein required to be preserved shall be so arranged and filed so that they may be readily identified and made available to representatives of the Commission.

[41 FR 28957, July 14, 1976]

§ 1220.4 Protection and storage of records.

The company shall protect records subject to the regulations in this part from fires, floods, and other hazards and safeguard the records from unnecessary exposure to deterioration from excessive humidity, dryness, or lack of ventilation.

§ 1220.5 Preservation of records.

(a) All records listed in § 1220.10 may be preserved in either hard-copy paperstock or nonerasable microfilm (see § 1220.7). However, a paperstock or microfilm record need not be created to satisfy the requirements of this part if the particular records are initially prepared on nonerasable media such as punched cards, magnetic tapes and disks. The records maintained in nonreadable media and the underlying data used in their preparation shall be preserved for the periods prescribed in § 1220.10. In no case shall a paperstock or microfilm record be destroyed after transfer to nonreadable media before expiration of the prescribed periods of retention without Commission approval (see § 1220.6).

(b) Each nonreadable form of media shall be accompanied by a statement clearly indicating the type of data included in the media and certifying that the information contained therein is complete and accurate. This statement shall be executed by a person having personal knowledge of the facts contained in the records. The records shall be indexed and retained in such a manner as will render them readily accessible, and the company shall have facilities available to locate, identify and reproduce the records on paper similar in size to the original without loss of clarity.

§ 1220.6 Destruction of records.

(a) *General authority.* Records described in these regulations may be destroyed after having been preserved for the prescribed periods.

(b) *Special authority.* Special authority is required before records described in these regulations may be destroyed prior to the end of the prescribed retention periods. Applications for special authority must describe in detail the nature and purpose of the records in question and the reasons continued retention is no longer considered necessary (see § 1220.9).

(c) *Method of destruction.* These regulations require that records be preserved for specified periods. Upon expiration of these periods, records may be destroyed in any manner if the company so elects. Precaution should be taken, however, to shred or otherwise destroy the legibility of any records, the content of which is forbidden by law to be divulged to unauthorized persons.

(d) *Premature destruction or loss of records.* When records are destroyed or lost before the expiration of the prescribed retention periods, a statement shall be prepared listing, as accurately as possible, the records destroyed or lost and describing the circumstances under which they were destroyed or lost. The statement shall be certified by an officer of the carrier and filed with the officer having supervision over preservation of records. A copy of the statement shall also be filed with the Secretary's Office of this Commission within ninety (90) days from the discovery of the premature destruction or loss.

§ 1220.7 Photographic copies.

(a) Any record may be transferred to nonerasable microfilm (including microfiche, computer output microfilm, and aperture cards) at any time. Records so maintained on microfilm shall satisfy the minimum requirements listed in paragraphs (b) through (f) of this section.

(b) The microfilm used shall be of a quality that can be easily read and that reproduction in paperstock can be similar in size of an original without loss of clarity of detail during the periods the records are required to be retained in § 1220.10.

(c) Microfilm records shall be indexed and retained in such a manner as will render them readily accessible, and the company shall have facilities available to locate, identify and read the microfilm and reproduce in paper form.

(d) Any significant characteristic, feature, or other attribute which microfilm will not preserve shall be clearly indicated at the beginning of each roll of film or series of microfilm records if applicable to all records on the roll or series, or on the individual record, as appropriate.

(e) The printed side of printed forms need not be microfilmed for each record if nothing has been added to the printed matter common to all such forms, but an identified specimen of the form shall be on the film for reference.

(f) Each roll of film or series of microfilm records shall include a microfilm of a certificate stating that the photographs are direct and facsimile reproductions of the original records and they have been made in accordance with prescribed regulations. Such a certificate shall be executed by a person having personal knowledge of the facts covered thereby. Where the microfilm is computer output microfilm the certificate shall state that the information is complete and accurate.

§ 1220.8 Companies going out of business.

The records referred to in these regulations may be destroyed after business is discontinued and the company is completely liquidated. The records may not be destroyed until dissolution is final and all transactions are completed. When a company is merged with another company under jurisdiction of the Commission, the successor company shall preserve records of the merged company in accordance with these regulations.

§ 1220.9 Waiver of requirements of these regulations.

A waiver from any provision of these regulations may be made by the Commission upon its own initiative or upon submission of a written request by the company. Each request for waiver shall demonstrate that unusual circumstances warrant a departure from prescribed retention periods, procedures, or techniques, or that compliance with such prescribed requirements would impose an unreasonable burden on the company.

§ 1220.10 Schedule of records and periods of retention.

The following schedule shows periods that designated records shall be preserved. The descriptions specified under the various general headings are for convenient reference and identification, and are intended to apply to the items named regardless of where records are filed and regardless of departmental organization. Records other than those listed below may be destroyed at the option of the company *provided* such records used in place of those listed are preserved for the periods prescribed for the records used for substantially similar purposes.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION

Item	Category of records	Retention period
	A. CORPORATE AND GENERAL	
1	Incorporation and reorganization:	
	(a) Charter or certificate of incorporation and amendments	Permanently.
	(b) Legal documents related to mergers, consolidations, reorganization, receiverships and similar actions which affect the identity or organization of the company.	Do.
2	Minutes of Directors', Executive Committees', Stockholders', and other corporate meetings.	Do.
3	Corporate elections:	
	(a) Proxies of holders of voting securities	2 years
	(b) Lists of holders of voting securities represented at meetings	Do.
	(c) Ballots cast and tabulations of votes	Do.
	(d) Judges' reports of election results	Do.
	(e) Qualification oaths of judges of election	Optional.
	(f) Qualification oaths of directors	Do.
4	Titles, franchises and authorities:	
	(a) Certificates of public convenience and necessity issued by regulating bodies.	Until expiration or cancellation.
	(b) Operating authorizations and exemptions to operate issued by regulating bodies.	Do.
	(c) Copies of formal orders of regulatory bodies served upon the company.	1 year after expiration or cancellation.
	(d) Deeds, charters, and other title papers	3 years after disposition of property.
	(e) Patents and patents records	1 year after expiration.
5	Annual reports or statements to stockholders, file copies of	10 years.
6	Contracts and agreements:	
	(a) Contracts and related papers for transactions which are subject to the provisions of the Clayton Antitrust Act (15 USC 20).	10 years after expiration, provided there is no pending litigation involved, and provided the company notifies the Commission of its intended action 2 weeks prior to date the records are to be destroyed.
	(b) Service contracts, such as for operational management, accounting, financial or legal service, and agreements with agents.	3 years after expiration or termination.
	(c) Contracts and other agreements relating to the construction, acquisition or sale of real property and equipment except as otherwise provided in (a) above.	Do.
	(d) Contracts for the purchase or sale of material and supplies except as provided in (a) above.	1 year after expiration or termination.
	(e) Shipping contracts for transportation of caretakers of freight	Do.
	(f) Contracts with employees and employee bargaining groups	Do.
	(g) Contracts, leases and agreements, not specifically provided for in this section.	3 years after expiration or termination.
7	Accountant's, auditor's, and inspector's reports:	
	(a) Certifications and reports of examinations and audits conducted by public and certified public accountants.	3 years.
	(b) Reports of examinations and audits conducted by internal auditors, time inspectors, weight inspectors, and others.	Do.
	B. TREASURY	
1	Capital stock records:	
	(a) Capital stock ledger	6 years.
	(b) Capital stock certificates, records of or stubs of. Note: If the information shown or the stubs is recorded in item 1(a), the stubs are required to be retained 3 years.	Do.
	(c) Stock transfer register	Do.
	(d) Memoranda and bills of sale or transfer of capital stock	2 years.
	(e) Capital stock subscription notices and requests for allotments	1 year.
	(f) Cancelled capital stock certificates	Optional.
2	Long-term debt records:	
	(a) Bond indentures, underwriting, mortgage, and other long-term credit agreements.	6 years after redemption.
	(b) Registered bond and debenture ledgers	Do.
	(c) Stubs or similar records of bonds or other long-term debt issued. Note: If the information shown on the stubs is recorded in item 2(b), the stubs are required to be retained 3 years.	Do.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Item	Category of records	Retention period
	(d) Funded debt subscription notices and requests for allotment	1 year.
	(e) Records of interest paid and unpaid	2 years.
	(f) Data pertaining to or supporting transfer of bonds or other long-term debt.	Do.
	(g) Cancelled and unissued bonds, mortgages, notes or other long-term debt issued.	Optional.
3	Filings with an authorization by regulatory agencies:	
	(a) Authorizations from regulatory bodies for issuance of securities including applications, reports and supporting papers.	20 years or until all securities covered are retired whichever is shorter.
	(b) Copies of registration statements and other data filed with the Securities and Exchange Commission and supporting papers in connection with offerings of securities for sale to the public or the listing of securities on an exchange.	6 years.
4	Records of securities owned, in treasury, or held by custodians, detailed ledgers and journals, or their equivalent.	3 years after the securities are sold, redeemed or otherwise disposed of.
5	Retired securities: stock certificates, bonds, notes, interest coupons, receiver's and trustee's certificates, and temporary certificates taken up and cancelled.	Optional.
6	Records of Funds and Deposits:	
	(a) Statements and summaries of balances on hand and with depositaries.	3 years.
	(b) Depositaries statements of funds received, disbursed, and transferred.	Do.
	(c) Authorities and statements for transfers between depositaries	Do.
	(d) Records of outstanding vouchers, checks, drafts, etc., issued and not presented.	Do.
	(e) Bank deposit books, stubs, ledgers, or records of checks	Do.
	(f) Supporting data for postings of miscellaneous receipts and payments of funds.	Do.
	(g) Cash remittance reports of superintendents, agents, and others	Do.
	(h) Records of verifications of treasurer's cash, or securities	2 years.
	(i) Copies of deposit slips	Do.
	(j) Periodical statements of working cash balances	Optional.
	(k) Lists of vouchers, drafts, and checks showing mailing dates	Do.
7	Records of foreign exchange or commercial paper purchased	3 years.
	C. FINANCIAL AND ACCOUNTING	
1	Ledgers:	
	(a) General and subsidiary ledgers with indexes thereto (except for rate-making organizations).	50 years.
	(b) General and subsidiary ledgers with indexes thereto (ratemaking organizations only).	10 years.
	(c) Balance sheets and trial balance sheets of general and subsidiary ledgers.	5 years.
2	Journals:	
	(a) General journals (except for ratemaking organizations)	50 years.
	(b) General journals (ratemaking organizations only)	10 years.
	(c) Subsidiary journals and any supporting data, except as otherwise provided for, necessary to explain journal entries.	6 years.
	(d) Schedules of recurring or standard journal entries with entry identifications.	(1)
3	Cash books:	
	(a) General cash books	10 years.
	(b) Subsidiary cash books	6 years.
4	Vouchers:	
	(a) Voucher registers or equivalent	6 years.
	(b) Paid and cancelled vouchers, expenditure authorizations, detailed distribution sheets and other supporting data including original bills and invoices, except as otherwise provided herein.	Do.
	(c) Vouchers indexes	3 years.
	(d) Paid drafts, paid checks, and receipts for cash paid out	6 years.
5	Accounts receivable:	
	(a) Record or register of accounts receivable, indexes thereto, and summaries of distribution.	3 years after settlement.
	(b) Bills issued for collection and supporting data	Do.
	(c) Reports and statements showing age and status of receivables	1 year.
	(d) Authorizations for writing off receivables	Do.
6	Records of accounting codes and instructions	6 years after discontinuance.

Schedule of Records and Periods of Retention—Continued

Item	Category of records	Retention period
	D. PROPERTY AND EQUIPMENT	
	NOTE.—All accounts, records, and memoranda necessary for making a complete analysis of the cost or value of property shall be retained for the periods shown. If any of the records elsewhere provided for in this schedule are of this character, they shall be retained for the periods shown below, regardless of any lesser retention period assigned.	
1	Property records:	
	(a) Records which maintain complete information on cost or other value of all real and personal property or equipment.	3 years after disposition of property.
	(b) Records of additions and betterments made to property and equipment.	Do.
	(c) Records pertaining to retirements and replacements of property and equipment.	Do.
	(d) Records pertaining to depreciation.	
	(1) When group method and depreciation rates are prescribed by the Commission.	10 years.
	(2) Other	3 years after disposition of property.
	(e) Records of equipment number changes	Do.
	(f) Records of motor and engine changes	Do.
	(g) Records of equipment lightweighed and stenciled	Do.
	(h) Files of detailed authorizations for expenditures, work or job orders showing estimated costs of additions and betterments, extensions, replacements, major repairs and dismantlements, approved by proper officials, together with all supporting data.	3 years.
	(i) Periodical inventories of property and equipment	3 years after prior inventory.
	(j) Estimates, detail records, and other data for proposed expenditures pertaining to projects not put into execution.	Optional.
2	Engineering records:	
	(a) Plans, specifications, estimates of work, engineering studies, construction bids, and similar data pertaining to property changes actually made.	3 years after disposition of property.
	(b) Plans, specifications, estimates of work, engineering studies, experimental work, and similar data pertaining to projects not executed.	Optional.
	E. PERSONNEL AND PAYROLL	
1	Personal records:	
	(a) Applications for employment, reports and certificates of physical examinations, service records, efficiency tests, qualification records, employees' rosters and other similar employee records.	1 year after termination of service.
	(b) Records of Employees' relief hospital, welfare and pension insurance and savings, and workmen's compensation accident reports.	1 year.
	(c) Applications for employment and replies thereto not resulting in employment of applicant.	Optional.
	(d) Files and records containing assignments, attachments, and garnishments of employees' salaries or wages, notice of suits, releases and correspondence incident thereto.	1 year.
2	Payroll records:	
	(a) Registers, abstracts, or summaries showing earnings, deductions and amounts paid to each employee by pay periods.	3 years.
	(b) Records showing the detailed distribution of salaries and wages to various accounts.	Do.
	(c) Receipted payrolls, endorsed pay checks or drafts, receipts, time tickets, certificates issued for wages, discharged tickets, and other evidences of payment for services rendered by employees.	Do.
	(d) Records of annuities of pensions paid to retired employees and records of death benefits paid to beneficiaries of deceased employees.	Do.
	(e) Time books, time cards, time sheets and summaries thereof, time slips, predetermined working schedules, overtime tickets, delayed time tickets, work orders, job tickets, check rolls and other records and papers pertaining to service of officers and employees.	Do.
	(f) Records, reports, and memoranda concerning deductions from payrolls.	Optional.
	(g) Applications and authorities for changes in payrolls	Do.
	(h) Cancelled pay checks or drafts drawn in favor of employees in payment of wages for which receipt is shown on payrolls or other records retained.	Do.
	(i) Comparative, analytical, or other statistical statements of pay	Do

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Item	Category of records	Retention period
	(j) Receipts for payrolls and pay checks forwarded to agents and others for distribution to employees.	Do.
	F. INSURANCE AND CLAIMS	
1	Insurance records:	
	(a) Schedules of insurance against fire, storm, and other hazards and record of premium payments.	3 years.
	(b) Records of losses and recoveries from insurance companies and supporting papers.	3 years after settlement.
	(c) Records and files of fidelity bonds of employees and others responsible for funds.	1 year after expiration of coverage.
	(d) Records and files of indemnity bonds incident to transportation and other charges.	Do.
	(e) Insurance policies	Optional after expiration or coverage.
	(f) Inspectors' reports of conditions of insured property	Optional when superseded.
	(g) Schedules of risks covered by self-insurance	2 years.
	(h) Reports to insurers of accidents or losses, and all correspondence and memoranda in connection therewith.	Do.
	(i) Letter and telegraphic reports of damages by fire, collision, etc	Do.
	(j) Reports of minor losses not covered by insurance or less than the minimum amount collectable.	Do.
2	Claims records:	
	(a) Claim registers, card or book indexes, and other records which record personal injury, fire and other claims *against* the company, together with all supporting data.	3 years after settlement.
	(b) Claims registers, card or book indexes, and other records which record overcharge, damages, and other claims filed by the company *against others*, together with all supporting data.	Do.
	(c) Records giving the details of authorities issued to agents, carriers, and others for participation in freight claims.	3 years.
	(d) Reports, statements and other data pertaining to personal injuries or damage to property when not necessary to support claims or vouchers.	Do.
	(e) Reports, statements, tracers, and other data pertaining to unclaimed, over, short, damaged, and refused freight, when not necessary to support claims or vouchers.	1 year.
	(f) Authorities for disposal of unclaimed, damaged, and refused freight.	3 years.
	G. TAXES	
1	Copies of returns and schedules filed with taxing authorities, supporting work papers, records of appeals, tax bills and receipts for payments. (See Item C-4(b) for vouchers evidencing disbursements):	
	(a) Income tax returns	3 years after settlement.
	(b) Property tax returns	Do.
	(c) Sales and use taxes	3 years.
	(d) Other taxes	3 years after settlement.
	(e) Agreements between affiliated companies as to allocation of consolidated income taxes.	Do.
	(f) Schedule of allocation of consolidated Federal income taxes among affiliated companies.	Do.
2	Summaries of taxes paid	Optional.
3	Filing with taxing authorities to qualify employee benefit plans	3 years after settlement of tax return or discontinuance of plan, whichever is later.
4	Information returns and reports to taxing authorities	3 years, or for the period of any extensions granted for audits.
	H. PURCHASES AND STORES	
1	Material ledgers:	
	(a) Records of material and supplies on hand	2 years.
	(b) Balance sheets of material and supplies on hand at division storehouses, shops, and other places.	Do.
2	Inventories:	
	(a) General inventories of material and supplies on hand, with record of adjustments between accounts required to bring stores records into agreement with physical inventories.	Do.
	(b) Stock cards, inventory cards, and other detailed records pertaining to the taking of inventories if abstracted into records covered by item 2(a) above.	Optional.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Item	Category of records	Retention period
	(c) Minor inventories of material and supplies on hand if not reflected in adjustments of accounts.	Do.
3	Purchases and sales:	
	(a) Copies of orders for the purchase of material and supplies	2 years.
	(b) Advices from individuals and companies acknowledging receipt of orders for material and supplies and notices of shipment.	Optional.
	(c) Invoices for material and supplies purchased whether attached to vouchers or filed separately. (See Item C-4(b)).	6 years.
	(d) Reports of scrap on hand	2 years.
	(e) Authorities for the sale of scrap and other material and supplies	Do
4	Material and supplies received and issued:	
	(a) Records and reports of material and supplies received and issued	Do.
	(b) Records of inspecting and testing material and supplies	Optional.
	(c) Records, memoranda, and authorities supporting writeoffs of surplus, obsolete, and scrap material and supplies.	2 years.
	(d) Price records of material and supplies issued	Do.
	I. SHIPPING AND AGENCY DOCUMENTS	
1	Bills of lading and releases:	
	(a) Consignors' shipping orders, consignors' shipping tickets, and copies of bills of lading, freight bills from other carriers and other similar documents furnished the carrier for movement of freight.	3 years.
	(b) Shippers' order-notify bills of lading taken up and cancelled	Do.
2	Freight waybills:	
	(a) Local waybills	Do.
	(b) Interline waybills received from and made to other carriers	Do.
	(c) Company freight waybills	Do.
	(d) Express waybills	Do.
3	Freight bills and settlements:	
	(a) Paid copy of freight bill retained to support receipt of freight charges.	
	(1) Bus express freight bills provided no claim has been filed	1 year.
	(2) All other freight bills	3 years.
	(b) Paid copy of freight bill retained to support payment of freight charges to other carriers.	
	(1) Bus express freight bills provided no claim has been filed	1 year.
	(2) All other freight bills	3 years.
	(c) Records of unsettled freight bills and supporting papers	1 year after disposition.
	(d) Records and reports of correction notices	3 years.
4	Other freight records:	
	(a) Records of freight received, forwarded, and delivered	Do.
	(b) Notice to consignees of arrival of freight; tender of delivery	2 years.
5	Agency records (to include conductors, pursers, stewards, and others):	
	(a) Cash books	3 years.
	(b) Remittance records, bank deposit slips, and supporting papers	Do.
	(c) Balance sheets and supporting papers	2 years.
	(d) Statements of corrections in agents accounts	Do.
	(e) Other records and reports pertaining to ticket sales, baggage handled, miscellaneous collections, refunds, adjustments, etc.	Do.
	J. TRANSPORTATION	
1	Records and reports of tickets issued, redeemed and destroyed, and ticket stock on hand.	2 years.
2	Records and reports of baggage checks issued, sold, and on hand	Do.
3	Used and cancelled tickets, cash fare slips, baggage checks, reports of which have been audited.	Optional.
4	Passes, reduced fare, and tickets:	
	(a) Copies of orders in printing houses for pass stock	Do.
	(b) Records of pass stock received, distributed, and destroyed	2 years.
	(c) Records and reports of passes and tickets, issued free or at reduced rates, and of such tickets requested from other carriers.	Do.
	(d) Records of passes received from other carriers	Do.
	(e) Reports of trip passes and free or reduced-rate passenger-fare tickets issued and collected.	Do.
	(f) Reports of annual or term passes honored	Optional.
	(g) Void, unused or unissued passes	Do.
5	Mail service:	
	(a) Records and reports of mail service, mail failures and detentions, fines, deductions, and irregularities.	2 years.
	(b) Records and reports of mail pouches received and distributed	1 year.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Item	Category of records	Retention period
6	Dispatchers' sheets, registers, and other record pertaining to movement of transportation equipment.	3 years.
7	Import and export records including bonded freight and steamship engagements.	2 years.
8	Records, reports, orders and tickets pertaining to weighing of freight....	3 years.
9	Records of loading and unloading of transportation equipment..............	2 years.
10	Records pertaining to the diversion or reconsignment of freight, including requests, tracers, and correspondence.	Do.
11	Records pertaining to transportation of household goods:	
	(a) Estimate of charges	3 years.
	(b) Order for service	Do.
	(c) Vehicle-load manifest	Do.
	(d) Descriptive inventory	Do.
12	Records and reports pertaining to operation of marine and floating equipment:	
	(a) Ship's log	3 years.
	(b) Ship's articles	Do.
	(c) Passenger and room list	Do.
	(d) Floatmen's barge, lighter, and scow captains' reports, demurrage records, towing reports and checks sheets.	2 years.
	Car distribution and movement—railroads only:	
	(a) Records of car allotment and distribution	2 years.
	(b) Records of cars ordered, furnished and loaded	Do.
	(c) Records showing dates and numbers of trains, initials and numbers of cars, movement of cars, and mileage of cars and trains.	Do.
	(d) Reports of cars interchanged with connecting lines	Do.
	(e) Reports of unfilled car orders..	1 year.
	(f) Per diem and mileage reports made and received, including reclaims and discrepancy and adjustment reports.	2 years.
	(g) Demurrage and storage records..	Do.
	Oil and other products stocks and movements—pipelines only:	
	(a) Records of receipts, deliveries, pumpings, stocks, and over and short.	3 years.
	(b) Run tickets showing quantities by tank measurement of meter readings of oil and other products received into and delivered from company's lines.	Do.
	(c) Reports or records of runs, allowables, and legal stocks by leases...	Do.
	(d) Statements of oil and oil products consumed as fuel including quantity value, and where consumed.	Do.
	(e) Statements of oil and other products lost by line breaks and leaks including quantity, value, and location of breaks and leaks.	Do.
	(f) Reports of power furnished by producers: monthly reports of the quantity of oil run in connection with which power was furnished by producers, and records of payment for such power.	Do.
	(g) Records of producers' property identifying ownership and location of producers' tanks or wells to which carriers' lines are connected.	3 years after disconnection.
	(h) Tank gage tables for all tanks used in carrier operation	3 years after disconnection or restrapping.
	(i) Division or other periodical inventory reports of oil and other products on hand.	3 years.
	(j) Division orders: Directions received by carrier as to the division of interest and to whose account transported oil should be credited.	3 years after discontinuance.
	(k) Directions received by the carrier for the transfer of division order interests from one interest owners to another.	Do.
	(l) Transfer orders for the transfer of ownership of oil or other products in carrier's custody.	3 years.
	K. TARIFFS AND RATES	
1	Official file copies of tariffs, classifications, division sheets, and circulars relative to the transportation of persons or property.	3 years after expiration or cancellation.
2	All other copies of tariffs, classifications, division sheets, and circular referred to in Item 1 above.	Do.
3	Authorities and supporting papers for transportation of property or passengers free or at reduced rates.	3 years.
4	Copies of concurrences and powers of attorney filed with the Interstate Commerce Commission and other regulating bodies.	2 years after expiration or cancellation.
5	Correspondence and working papers in connection with the making of rates and compliance of tariffs, classifications, division sheets, and circulars affecting the transportation of persons or property.	2 years after cancellation of tariff.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Item	Category of records	Retention period
6	Contracts and minimum rate schedules of contract motor carriers	3 years after expiration or cancellation.
7	Records and documents required by provisions of sec. 1253.20 to be maintained.	2 years.
	L. REPORTS AND STATISTICS	
1	Reports to Interstate Commerce Commission and other regulatory bodies:	
	(a) Annual financial, operating and statistical reports, file copies of, and supporting data.	10 years.
	(b) Periodical reports of operating revenues, expenses, and income, file copies of, and supporting data.	3 years.
	(c) Reports detailing use of proceeds from issuance or sale of company securities, file copy of, and supporting data.	Do.
	(d) Valuation inventory reports and records together with related notes, maps, and sketches; underlying engineering, land, and accounting reports, pricing schedules, summary or collection sheets, yearly reports of changes and other miscellaneous data, all relating to the valuation of the company's property by the Interstate Commerce Commission or other regulatory body.	3 years after disposition of the property.
2	Periodical reports of accidents, inspections, tests, hours of service, repairs, freight car locations, etc.	3 years.
3	Periodical statistical statements of operating results or performance by tonnage, mileage, passengers carried, piggyback traffic, commodities, costs, analyses of increases and decreases, or otherwise.	Do.
4	Miscellaneous statistical reports, statements and summaries, not otherwise provided for herein, used for administrative purposes only and *not* entering the accounts of the company.	Optional.
5	All other financial, operating and statistical statements or reports with supporting data.	3 years.
	M. MISCELLANEOUS	
1	Index of records (see 1220.3)	Until superseded.
2	Statement listing records prematurely destroyed or lost (see 1220.6(d)).	Same period prescribed for listed records.
3	Instruction booklets, circulars, organization handbooks, bulletins, instructions to agents, conductors, drivers, and other employees, and other matters pertaining to the operation of the company.	3 years after expiration or cancellation.
4	Correspondence relating to subject matter covered by other items in this schedule.	Same period prescribed for related record.
5	Tabulating cards, tapes, and other media used in the compilation of statistics and other data when the results are transcribed to other records covered in this schedule.	Optional after summaries have been made.
6	Duplicate copies of accounts, records, and memoranda listed in this schedule, if all information on such duplicates is contained on the originals or other copies retained, and if such duplicates are not specifically provided for in this schedule.	Optional
7	Complaints, related correspondence, and other records associated with adequacy of service, equipment, and facilities for freight and passenger operations.	2 years.

[1] Until superseded.

[40 FR 50385, Oct. 29, 1975, as amended at 41 FR 28957, July 14, 1976]

PART 1241—ANNUAL, SPECIAL OR PERIODIC REPORTS; CARRIERS SUBJECT TO PART I OF THE INTERSTATE COMMERCE ACT

§ 1241.61 Annual reports of carriers by pipeline.

(a) Commencing with the year ended December 31, 1968, and for subsequent years thereafter, until further order, all carriers by pipeline subject to the provisions of section 20, Part I of the Interstate Commerce Act, are required to file annual reports in accordance with Annual Report Form P (Carriers by Pipeline). Such report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31, of the year following the year to which it relates.

(49 U.S.C. 220, 313, 412)

[33 FR 16410, Nov. 8, 1968, as amended at 41 FR 21354, May 25, 1976; 42 FR 1475, Jan. 7, 1977]

§ 1241.62 Carriers by pipe line; quarterly revenue and volume of traffic.

(a) Each and every pipe line company subject to the provisions of section 20 of the Interstate Commerce Act, if it has had annual operating revenues of more than $500,000 for the three consecutive calendar years prior to the period for which the report hereinafter mentioned is rendered, shall make a report every three months of its total transportation revenue and total number of barrels of oil originated and received from connections, in accordance with the appropriate quarterly form.

(b) Each said quarterly report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within 30 days after the close of the period to which it relates, the first report to be for the three months ended September 30, 1938.

PARTS 1260-1269—VALUATION

Note: Forms prescribed in parts 1260-1269 are available upon request from the Office of the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

PART 1260—REPORTING OF DATA FOR INITIAL PIPELINE VALUATIONS

GENERAL

Sec.
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PREPARATION OF DATA

1260.100 ACV Form No. 5—Inventory of Property Other Than Land and Rights-of-Way.
1260.101 ACV Form No. 6—Inventory of Land and Rights-of-Way.
1260.102 ACV Form No. 7—Summary of Original Cost of Inventory.
1260.103 ACV Form No. 8—Cost Data for Equipment and Tanks.
1260.104 ACV Form No. 9—Cost Data for Pipeline Construction.
1260.105 Maps.
1260.106 Plot plans.
1260.107 Sketches.
1260.108 Photographs.
1260.109 Special notes.
1260.110 Identification of aids, gifts, grants or donations.
1260.111 Reconciliations.
1260.112 Corporate history and development of fixed physical property.

AUTHORITY: Sec. 19a, 37 Stat. 701, as amended; 49 U.S.C. 19a, as amended.

SOURCE: 32 FR 20475, Dec. 20, 1967, unless otherwise noted.

GENERAL

§ 1260.0 Regulations prescribed.

Each common carrier by pipeline, subject to the provisions of the Interstate Commerce Act, for which an initial valuation is to be found by the Commission is required to comply with regulations in this Part pertaining to the preparation and filing of data with the Commission for its consideration in finding such initial valuation. The data to be filed shall be reported separately by ownership and use, by states, and by primary property accounts, as hereinafter prescribed.

§ 1260.1 Data to be filed.

(a) Except as may be otherwise directed by the Commission, the following data shall be filed:

ACV Form No. 5—Inventory of Property Other than Land and Rights-of-Way.
ACV Form No. 6—Inventory of Land and Rights-of-Way.
ACV Form No. 7—Summary of Original Cost of Inventory.
ACV Form No. 8—Cost Data for Equipment and Tanks.
ACV Form No. 9—Cost Data for Pipeline Construction.
Maps.
Pilot plans.
Sketches.
Photographs.
Special notes.
Identification of aids, gifts, grants or donations.
Reconciliations.
Corporate history and development of fixed physical property.

(b) All worksheets and other underlying support of data filed shall be retained by carriers in such manner that they may be readily verified.

§ 1260.2 Responsibility for filing data.

It shall be the responsibility of the carrier for which an initial valuation is to be found by the Commission to file the data prescribed by this order. This responsibility shall apply whether property included in the initial inventory is wholly or jointly owned and used, wholly or jointly owned but not used, or wholly or jointly used but not owned, or whether such property is a part of a "system" or otherwise. As used in these regulations, the term "agent operator" refers only to a carrier for which an initial valuation is to be found by the Commission.

§ 1260.3 Copies required.

The data referred to in § 1260.1 shall be filed with the Commission in an original only, and one copy shall be retained by carriers. However, copies of ACV Forms prepared by other than the filing carrier may be filed in lieu of originals.

§ 1260.4 Carrier and noncarrier property defined.

Carrier property is that which is used exclusively for common-carrier purposes. Noncarrier property is that which is used exclusively for purposes other than those of a common carrier. Property held in anticipation of an indefinite future use, and property which is owned by a common carrier and is leased to other than a common carrier shall be reported as noncarrier property. Classification of property under this definition shall be consistent with the classification of property for accounting purposes.

§ 1260.5 Original cost defined.

(a) Original cost means the actual cost of construction or acquisition of property to the first person or corporation dedicating such property to public use. Interpretive examples of this definition follow:

(1) Where an entire property, or portion thereof, is acquired from another common carrier by purchase, merger, consolidation, or reorganization, the cost of the property, estimated if not known, to the vendor shall be construed to be the original cost of the property acquired.

(2) Where property which has not been previously dedicated to public use is acquired, the cost of acquisition to the vendee shall be regarded as the original cost of the property acquired.

(3) Where the actual cost of property acquired by lease from a noncarrier and placed in public use by a carrier is not obtainable, the estimated cost of such property, as of the date of the lease, shall be used as the original cost.

(b) Where estimated original cost is used it shall be prorated among the primary accounts on an equitable basis, and a notation shall be made that estimates were used, together with an explanation of the method employed in arriving at such estimates.

§ 1260.6 Reporting overhead expenditures.

To assure against the double inclusion of overhead in the determination by the Commission of the cost of reproduction new of the inventory of carrier property, overhead expenditures shall be reported separately under the caption "Overhead," in complete detail for each account for each valuation section, and shall be reported on ACV Form No. 5 and on ACV Form No. 6 immediately following the last original cost amount stated on these forms in accordance with §§ 1260.100 and 1260.101. The term overhead, as used in these regulations, shall be construed as consisting of those expenditures incurred in connection with the construction or acquisition of property which were applicable to a period prior to the date that the property to which they relate was placed in operation. Examples of such expenditures are interest during construction, engineering cost, taxes on physical property, etc.

§ 1260.7 Reporting cost of organization.

Cost of organization shall be reported, in complete detail by category of expenditure, on a separate ACV Form No. 5 which shall be headed "Account No. 2 Cost of organization." The total of amounts shown shall be reported on ACV Form No. 7 in accordance with instructions appearing in § 1260.102.

§ 1260.8 Valuation sections.

A valuation section is a geographical segregation of property within a state, and in no case may a valuation section extend beyond a state line. Separate valuation sections shall be established within each state for each group of property identified in the Uniform System of Accounts for Pipe Line Companies as "Gathering Lines," "Trunk Lines," and "General." Valuation sections so established shall be numbered and shall bear the corresponding identifying suffix G for gathering line property, T Crude or T Prods. for trunkline property, and Gen. for property classified as general. Jointly owning or jointly using carriers, and carriers wholly using property owned by others, shall assign their own valuation section numbers to property so owned or used. Mobile property servicing more than one valuation section of a state shall not be assigned to a valuation section but shall be reported as "Unallocated" for the state served. Mobile property servicing more than one state shall not be assigned to a valuation section but shall be reported as "Unallocated" for the carrier as a whole without state identity. Valuation section numbers and unallocated designations shall be decided by each carrier, subject to the approval of the Commission.

§ 1260.9 Auxiliary documents.

The following documents referred to in these regulations will be supplied by the Bureau of Accounts:

1947 Period Guide Prices and Annual and Period Indices.

Schedule of Element Codes and Guide Service Lives for Oil Pipeline Property.

ACV Forms No. 4, No. 5 and No. 6.

§ 1260.10 Assembling and numbering forms.

Related ACV Forms No. 5, 6, and 7 shall be associated, with ACV Forms No. 5 and 6 following ACV Form No. 7. ACV Forms No. 8 and 9 shall then be placed behind ACV Forms No. 5, 6, and 7. All ACV Forms thus assembled shall then be consecutively numbered in the upper right-hand corner. There shall also be shown in the upper right-hand corner of the ACV Form numbered 1 the total number of ACV Forms filed.

§ 1260.11 Amendments and deviations.

Only those amendments to or deviations from the regulations prescribed by this Order as may be directed by the Commission are authorized.

PREPARATION OF DATA

§ 1260.100 ACV Form No. 5—Inventory of Property Other Than Land and Rights-of-Way.

(a) This is a multipurpose form designed to meet the needs of both the carriers and the Commission. Columns 1 through 7 shall be used by carriers to document the inventory. The remaining columns will be completed by the Commission.

(b) A separate ACV Form No. 5 shall be filed bearing the following statement which shall be signed by a responsible officer of the carrier, or agent, filing the data prescribed by these regulations:

> The data filed pursuant to Valuation Order No. 29 have been carefully examined by the undersigned who declares that such data have been prepared in accordance with regulations set out in said Order.
>
> (Signature) ————————————
>
> (Title) ————————————
>
> (Date) ————————————

(c) A pipeline mileage statement shall be presented on ACV Form No. 5, in the following format, on Sheet No. 1 of each valuation section, summarizing the pipeline footage included in the inventory. The gross and screwage **shown on the statement shall represent the pipe footage reported on ACV Forms No. 5 documenting the inventory:**

PIPELINE MILEAGE STATEMENT

	Footage[1]			
	Gross	*Screwage*	*Net*	*Mileage*[2]
Trunk lines:				
Crude:				
Line				
Loops				
Other[3]				
Products:				
Line				
Loops				
Other[3]				
All gathering lines				

[1] The footage reported must agree with the total footage shown in the summaries appearing on the right-of-way maps prepared for the valuation section.

[2] Enter the equivalent miles, to the nearest thousandth, for the net footage shown.

[3] Exclude service pipe such as water, air, steam, gas or fuel piping.

(d) Inventory data to be shown on ACV Form No. 5 shall be reported in summary form by kind of property within each account. By summary reporting is meant the grouping of property units having characteristics common to all such units. An example of summary reporting appears in paragraph (e) of this section.

(e) The number of units to be reported in column 6 of ACV Form No. 5 shall be governed by the applicability to such units of the identifying data shown in columns 1 through 5. Taking steel pipe as an example, the units of pipe to be reported in column 6 must be of the same construction, that is, either plain end or screw end, lap weld, electric weld, seamless, etc., and they must have the same diameter and weight in pounds per foot (all these identifications will appear in column 1); they must have been dedicated to public use in the same year (column 2); they must be includible in the same element code (column 3); they must have the same guide life years (column 4); and they will have a common unit of property, linear feet (column 5).

(f) ACV Form No. 5 shall be prepared by typewriter without interlineation as follows:

(1) Enter the date assigned for the valuation of the property on the line provided in the caption of the form.

(2) ☐ *Carrier Property* ☐ *Noncarrier Property.* Place an X in the appropriate block to identify the property being reported.

(3) *Account No.* ——. Enter the appropriate primary account number. When ACV Form No. 5 is used to report noncarrier property, the primary property account numbers used to report carrier property shall also be employed to facilitate the identification of such property.

(4) *State* ——— *Val. Sec.* ———. Identify the state and the valuation section in which the property is located. Enter "Unallocated" when appropriate.

(5) *Sheet No.* —— *of* —— *Sheets.* The use of this line shall be restricted to identifying the sheets relating to the valuation section or Unallocated, as appropriate.

(6) *Report Filed by* ——— *Property Owned by* ——— *Property Used by* ———. Identify, respectively, the carrier or agent filing the report, the owner of the property, and the carrier using the property. When the form is used to report jointly owned or jointly used property, enter an asterisk (*) on the Property Owned by ——— and Property Used by ——— lines of Sheet No. 1 of each valuation section, or Unallocated, and below, in the body of the form, the identity of both the owning and the using carriers and the percentage of their respective owning and using interest. Enter an asterisk on these two lines on all remaining sheets to indicate that the identity of the owning and using carriers is set out on Sheet No. 1.

(7) *Columns 1 and 5.* The property description and unit of property to be shown in these columns shall conform with those appearing in the 1947 Period Guide Prices and Annual and Period Indices. Where property descriptions do not appear in that document or where, in the view of the carrier, they are inadequate, they shall be shown in column 1 in sufficient detail to clearly describe the property being reported. Identify, in column 1, property representing public improvement projects, and show the total cost of the project, the identity of the participants, and the percentage of participation, in addition to the description of the property. Identify also in column 1 property included in the inventory, other than land and rights-of-way, which was acquired by aid, gift, grant or donation from private parties. See (11) (vii) below for instructions covering the reporting of original cost for public improvement projects and for aids, gifts, grants or donations received from private parties. Except for service pipe, show in column 1 the screwage included in the gross linear footage reported in column 6 for pipe in accounts 103, 153, 110, 160, 112 and 162.

(8) *Column 2.* Show the year the property was dedicated to public use. Where the year, or years, of construction or installation differ from the year of dedication to public use show the former in column 1, together with the number of units constructed or installed during such years.

(9) *Columns 3 and 4.* The data to be entered in these columns shall be taken from

the Schedule of Element Codes and Guide Service Lives for Oil Pipeline Property. Guide life years shall not be shown for property reported under accounts 104, 105, 154, and 155, or for property reported under element code 124 of accounts 111 and 161. Use guide lives other than those shown in the Schedule of Element Codes and Guide Service Lives for Oil Pipeline Property only when specifically authorized by the Bureau of Accounts.

(10) *Column 6.* Enter the total number of units of property referred to in columns 1 through 5. See example of summary reporting appearing in (e) of this Section. Where the unit reported in column 5 is "Lot" make no entry in this column.

(11) *Column 7.* Report, to the nearest dollar, in this column, in the manner directed in (i) through (v) below, the original cost, exclusive of overhead which shall be reported in accordance with § 1260.6, of the property identified in Columns 1 through 6. With the exception of cathodic protection reported separately under element code 24, include the cost of cathodic protection with the cost of the property reported:

(i) Report a single total for the entire valuation section for each of the following accounts: 103, 104, 109, 114, 153, 154, 159, 164, 179, and 184.

(ii) Report a single total for the entire valuation section for each of the following element codes: 26, 128, 150, 154, 156, 174, 176, 178, and each element code assigned to other accounts when such element codes are used to identify property reported under accounts 116, 166 and 186.

(iii) Enter a single total for the entire valuation section for each of the following portions of element codes: cathodic protection reported under element code 24; the installation of oil lines in stations reported under element code 24; ordinary casing installations at railroad or highway crossings reported under element code 24; with the exception of river crossings, pipeline bridges and unusual construction jobs, all other pipeline construction reported under element code 24 not enumerated in this paragraph: oil pipe in place reported under element code 96; fittings in place reported under element code 96; service pipe in place reported under element code 98; fittings in place reported under element code 98; the miscellaneous portion of element code 124; oil pipe in place reported under element code 130; and fittings in place reported under element code 130. When reporting clearing and grubbing under element code 24 include only those expenditures for areas where it is necessary to remove trees and heavy brush, and not for the entire right-of-way prior-to-ditching grading.

(iv) Enter a separate total for the following:

Accounts 105 and 155. Each river crossing, pipeline bridge, or each unusual construction job such as one involving long stretches of solid rock or swamp areas or an unusual casing installation, reported under element code 24; and each type of coating reported under element code 28.

Accounts 106, 156, and 176. Each building, station ground or bridge. Include communication system buildings and grounds.

Accounts 107, 108, 157, and 158. Each unit, or group of units, reported in accordance with (10) above.

Accounts 110, 112, 160, and 162. All of the property for each station reported under each of the element codes 100, 102, 132, 134, 136, 138, and 140.

Accounts 111 and 161. Each unit, or group of units, reported in accordance with (10) above. Exclude the miscellaneous portion of element code 124 and all of element code 128.

(v) Report the original cost of each unit of property, or each group of those units of property which are identical, which has not been specifically identified in (i) through (iv) above, or for which a description and unit price has not been provided in the 1947 Period Guide Prices and Annual and Period Indices.

(vi) The following chart, presenting graphically the reporting requirements set out in (i) through (v) above, is provided for ready reference. Portions of prescribed elements, only, have been identified in the column captioned "Element—Subtitle."

	Element		Report original cost as follows—		
Account	Code	Subtitle	Single total for the entire valuation section	Separate total for each or for each group that is identical	Separate total for each station
103-153			X		
104-154			X		
105-155	24	**Cathodic protection**	X		
		Installation of oil lines in stations	X		

	Element		Report original cost as follows—		
Account	Code	Subtitle	Single total for the entire valuation section	Separate total for each or for each group that is identical	Separate total for each station
		Ordinary casing installations at railroad or highway crossings	X		
		River crossings		X	
		Pipeline bridges		X	
		Unusual construction jobs		X	
		All other pipeline construction	X		
	26		X		
	28	Type of coating		X	
106-156-176	40			X	
	42			X	
	44			X	
	46			X	
	48			X	
107-157	60			X	
	61			X	
108-158	68			X	
	69			X	
	70			X	
	71			X	
	72			X	
	73			X	
	74			X	
	76			X	
109-159-179			X		
110-160	96	Oil pipe in place	X		
		Fittings in place	X		
	98	Service pipe in place	X		
		Fittings in place	X		
	100				X
	102				X
111-161				X[1]	
	124	Miscellaneous	X		
	128		X		
112-162					
	130	Oil pipe in place	X		
		Fittings in place	X		
	132				X
	134				X
	136				X
	138				X
	140				X
113-163-183					
	150		X		
	154		X		
	156		X		
114-164-184			X		
115-165-185					
	174		X		
	176		X		
	178		X		
116-166-186	(2)		X		
Property not covered above, or property for which a description and unit price has not been provided in the 1947 Period Guide Prices and Annual and Period Indices				X	

[1] Except the "Miscellaneous" portion of Element Code 124, and all of Element Code 128.

[2] For each element code assigned to other accounts when used to identify property reported under these accounts.

(vii) In reporting original cost in accordance with (i) through (vi) above include for property acquired by aid, gift, grant or donation from private parties, identified in column 1 in accordance with (7) above, the cost of such property, or the appraised value where the cost cannot be determined; in the case of property identified as a public improvement project in column 1 in accordance with (7) above, include only the cost borne by the carrier.

(12) When ACV Form No. 5 has been completed for each account, show the total of all amounts entered in column 7. In the case of jointly owned or jointly used property apply the owning or using percentages, shown on Sheet No. 1, to the total and identify the results by each jointly owning or jointly using carrier.

(g) ACV Forms No. 5 prepared by agent operators for "system" property as a whole, together with related ACV Forms No. 5 showing the proportionate share of the original cost of such property applicable to each jointly owning or jointly using carrier, shall be filed with the Commission for review and completion.

(h) Following review and completion by the Commission of ACV Forms No. 5 filed by agent operators in accordance with paragraph (g) of this section, agent operators will be supplied with photocopies of all ACV Forms No. 5 for "system" property as a whole, and with photocopies of all ACV Forms No. 5 showing proportionate shares of original cost on which corrections are made by the Commission. Agent operators shall then provide each jointly owning or jointly using carrier with two copies of its "proportionate share" ACV Forms No. 5, one to be retained and one to be filed with the Commission.

(i) Following their review and completion by the Commission ACV Forms No. 5 will be made available for required photocopying by wholly owning or wholly using carriers.

§ 1260.101 ACV Form No. 6—Inventory of Land and Rights-of-Way.

(a) The data to be reported on this form shall be typewritten and double spaced. To facilitate identification use carrier property primary account numbers when reporting noncarrier property. When the form is used to report jointly owned or jointly used property enter on Sheet No. 1, for each valuation section, an asterisk (*) on the Property Owned by —— and Property Used by ——lines and, in the body of the form, the identity of both the owning and the using carriers and the percentage of their respective owning or using interest.

(b) The form shall be executed as follows:

(1) Enter the date assigned for the valuation of the property on the line provided in the caption of the form.

(2) ☐ *Carrier Property* ☐ *Noncarrier Property.* Place an X in the appropriate block to identify the property being reported.

(3) *Report Filed by ——. Property Owned by ——. Property Used by ——.* Enter appropriate identifications. Where jointly owned or jointly used property is being reported, enter an asterisk (*) on the Property Owned by —— and Property Used by —— line to indicate that the identity of the owning and the using carriers is set out in Sheet No. 1 of ACV Form No. 6 for the valuation section, as directed in (a) above.

(4) *State ——. Val. Sec. ——.* Identify the state and valuation section in which the property being reported is located.

(5) *Sheet No. —— of —— Sheets.* This line shall identify the sheets relating to the valuation section only.

(6) Enter the appropriate account number in the Land or Rights-of-Way block.

(7) *Column 1.* Enter the number of the land map assigned by the carrier in accordance with § 1260.105(b)(6).

(8) *Column 2.* Indicate the number assigned to the parcel, or parcels, on the map identified in column 1.

(9) *Column 3.* Indicate the date and the kind of instrument by which title to, or interest in, each parcel was derived, such as deed, quitclaim deed, condemnation, ordinance, lease, agreement, etc.

(10) *Columns 4 and 5.* Enter, respectively, the name of the grantor and grantee cited in the instrument identified in column 3.

(11) *Column 6.* Enter in this column the area, either in square feet or acres, of the parcel, or parcels, identified in column 2.

(12) *Column 7.* Enter, to the nearest dollar, the original cost of the area reported in column 6. In the case of land which was acquired by aid, gift, grant or donation record the cost, or the appraised value where the cost cannot be determined, of land so acquired from private parties only. Incidental costs and assessments for public improvements shall be reported separately in column 7 and identified in column 13. Incidental costs and assessments shall be allocated to the parcels affected. If considerations other than cash were exchanged for land, identify such considerations in column 13. Total column 7 for each valuation section, including overhead.

(13) *Column 8.* Use this column for both land and rights-of-way. Enter the year that

the parcel, or parcels, of land, or the year that the first trunk pipeline right-of-way, or portion thereof, was dedicated to public use.

(14) *Columns 9 and 10.* Identify the termini of trunk pipeline rights-of-way placed in public service during the year shown in column 8.

(15) *Column 11.* Enter, for the termini identified in columns 9 and 10, the line miles of trunk pipeline right-of-way.

(16) *Column 12.* Enter, to the nearest dollar, the total original cost for the valuation section as a whole for either trunk or gathering lines. Where rights-of-way were acquired by aid, gift, grant or donation include in the total entered in column 12 the cost, or the appraised value where the cost cannot be determined, of rights-of-way so acquired from private parties only. Record overhead and show total. If considerations other than cash were exchanged for rights-of-way identify such considerations in column 13.

(17) *Column 13.* Include in this column the number of the right-of-way map, or maps, depicting the trunk line, or lines, identified by the termini shown in columns 9 and 10. Identify also in this column land or rights-of-way included in the inventory which were acquired by aid, gift, grant or donation from private parties, the cost or appraised value of which is included in amounts reported in column 7 or column 12.

(18) In the case of jointly owned or jointly used property apply the owning or using percentages, shown on Sheet No. 1 for the valuation section, to the total shown in column 7 or in column 12, and identify the results by each jointly owning or jointly using carrier.

(c) ACV Forms No. 6 prepared by agent operators for "system" property as a whole, together with related ACV Forms No. 6 showing the proportionate share of the original cost of such property applicable to each jointly owning or jointly using carrier, shall be filed with the Commission for review.

(d) Following review by the Commission of ACV Forms No. 6 filed by agent operators in accordance with paragraph (c) of this section, agent operators will be supplied with photocopies of all such forms on which corrections are made by the Commission. Agent operators shall then provide each jointly owning or jointly using carrier with two copies of its "proportionate share" ACV Forms No. 6, one to be retained and one to be filed with the Commission.

(e) Following the review of ACV Forms No. 6 filed for wholly owned or wholly used property, the Commission will provide each wholly owning or wholly using carrier with photocopies of those forms on which changes are made.

§ 1260.102 ACV Form No. 7—Summary of Original Cost of Inventory.

(a) ACV Form No. 7 shall be filed in typewritten form to report in summary the original cost of the inventory of carrier and noncarrier property. Include jointly owned and used property with wholly owned and used property when preparing the form for owned and used property. Report cost of organization and mobile property servicing more than one state in the column captioned "Unallocated." For uniformity in reporting, report the cost of noncarrier property on the ACV Form No. 7 prepared for owned and used property. Enter the names of the States in which property is located in the blank blocks provided in columns 2 through 9.

(b) Summarize, by primary account for carrier property and by the account 5 categories shown on ACV Form No. 7 for Miscellaneous physical property, the original cost totals, including the appropriate percentage thereof for jointly owned or jointly used property, shown on ACV Forms No. 5 and 6. Record the results in columns 2 through 10.

(c) Following the completion of paragraph (b) of this section, crossfoot amounts reported in columns 2 through 10 and enter the results in column 1. Produce the totals and grand totals indicated to be shown on ACV Form No. 7 and crossfoot to balance.

§ 1260.103 ACV Form No. 8—Cost Data for Equipment and Tanks.

(a) The purpose of this form is twofold:

(1) To provide information pertaining to the cost of line pipe, equipment and tanks included in the initial inventory of property reported on ACV Form No. 5 which were purchased during the year as of which an initial valuation will be found by the Commission or during the two previous years. ACV Forms No. 8 reporting such information shall be submitted with the data required to be filed in accordance with § 1260.1.

(2) To report the cost of line pipe, equipment and tanks purchased through December 1 of each year following the filing of initial inventory data, regardless of whether such property was placed in service during the reporting period or not. ACV Forms No. 8 presenting such data shall be filed with the Commission, in an original only, by each carrier or agent, required to file reports of property changes under the requirements of Revised Supplement No. 8 to Valuation Order No. 3, Second Revised Issue. Such ACV Forms No. 8 shall be filed not later than February 1 following the end of the reporting period.

(b) ACV Form No. 8 shall be prepared in typewritten form as follows:

(1) Enter an X in the (☐) Initial block when the form is prepared for the purpose set out in (a)(1) above. Show the year of purchase on the For the Year —— line where the form is prepared for the purpose stated in (a)(2) above.

(2) The Sheet No. —— of —— Sheets line shall be used to identify the number of sheets used for each account reported.

(3) Enter the name of the carrier, or agent, filing the forms on the Report Filed by ———— line, and the name of the carrier or system using, or which will use, the purchased property on the Property Used by ———— line.

(4) Enter one of the following accounts, as appropriate, on the Account No. —— line: 104, 154, 108, 158, 111, or 161.

(5) For accounts 103 and 153 report, only, purchases of new pipe in lots of 40,000 pounds or more. See (6), (7), (9), (11) below for further details concerning the reporting of line pipe.

For accounts 104 and 154 report, only, motor operated valves 12" and up; for accounts 108 and 158 report major units of pumping equipment only, such as large engines, large centrifugal or reciprocating pumps, electric motors over 250 horsepower, and speed increasers. Do not report purchases of portable or miscellaneous units, or secondhand equipment. For accounts 111 and 161 report tanks only. Exclude all appurtenances except where they are included in the purchase price as a standard fixture or fitting. See (6) below for further details concerning the reporting of tanks.

(6) Except for line pipe enter in column 1 a complete description of the property including, where applicable, the name of the manufacturer, serial number, size, dimensions, capacity, model, type, material from which manufactured, construction and special features, and all other specifications which will clearly identify the property being reported. Include in this column only those features which are included in the unit price reported in column 4. It is imperative when reporting tanks that the following be observed. The 1947 Period Guide Prices and Annual and Period Indices lists certain features of tank construction the cost of which is included in the prices per pound in place shown for the tanks identified in that document. Where features, appurtenances or accessories, other than those listed in the 1947 Period Guide Prices and Annual and Period Indices are included in the unit price of the tanks shown in Column 4, list each such item in column 1 showing its weight, where appropriate, and the cost applicable thereto (estimated where necessary) included in the unit price shown in column 4.

For line pipe enter in column 1 the name of the manufacturer, nominal diameter, wall thickness, weight in pounds per lineal foot, kind (i.e., electric weld, seamless, butweld, etc.), type of end, and A.P.I. grade.

(7) Except for line pipe report in column 2, for forms prepared to reflect the data referred to in (a)(1) above, the year in which the property described in column 1 was purchased. Leave this column blank when the form is prepared to report the data referred to in (a)(2) above.

For line pipe show the month and date of each purchase.

(8) Signify in column 3 the number of units purchased.

(9) State in column 4 the price paid for each unit of property reported in column 3 for equipment and tanks. Show "in place" unit prices for tanks. For line pipe, if purchased f.o.b. mill, report the unit price per one hundred lineal feet. Exclude from unit prices all sales, use or other taxes required by lawful taxing authority to be added to the total invoice cost of materials purchased.

(10) For equipment and tanks show the geographical location of the point indicated in column 5. For line pipe purchased f.o.b. destination report in column 5 the unit price per one hundred lineal feet.

(11) Show the geographical locations of the points indicated in columns 6 and 7.

(12) Except for line pipe enter in column 8 the net shipping weight for each of the units reported in column 3. Where actual net weight cannot be determined show estimated net weight and indicate that an estimate was used.

For line pipe purchased f.o.b. mill show freight charges in cents per hundred pounds.

(13) Where no purchases are made during the year covered by the report, so state on a separate ACV Form No. 8 or by letter indicating thereon the account in which there was no purchase activity.

§ 1260.101 ACV Form No. 9—Cost Data for Pipeline Construction.

(a) This form will serve two purposes:

(1) It will report the cost of pipeline construction included in the initial inventory of property reported on ACV Form No. 5 which was constructed during the year as of which an initial valuation will be found by the Commission, or during the two previous years. ACV Forms No. 9 reporting this information shall be submitted with the data required to be filed in accordance with § 1260.1.

(2) It will provide the cost of pipeline constructed through December 1 of each year following the filing of initial inventory data, including the cost of pipeline constructed during the year and not placed in service as of the end of the period covered by the report. ACV Forms No. 9 reporting this data shall be filed with the Commission, in an original only, by each carrier, or agent, required to file reports of property changes under the requirements of Revised Supplement No. 8 to Valuation Order No. 3, Second Revised Issue. Such ACV Forms No. 9 shall be filed not later than February 1 following the end of the reporting year.

(b) The information to be recorded on ACV Form No. 9 shall be reported separately by each contract, and shall include data pertaining only to contracts completed. Report subcontracts separately only when subcontract amounts are not included in amounts reported in column 11 for prime contracts. The form shall be executed in typewritten form as follows:

(1) Enter an X in the ☐ Initial block when he form is prepared for the purpose set out in (a)(1) above. Show the year of construction on the For the Year —— line when the form is used for the purpose stated in (a)(2) above.

(2) The Sheet No. —— of —— Sheets line shall be used to identify the number of sheets used for each account.

(3) Enter the name of the carrier, or agent, filing the form on the Report Filed by ——— line and, on the Property Used by ——— line, the name of the carrier or system using, or which will use, the pipeline covered by the report.

(4) Enter account 105 or 155, as appropriate, on the Account No. —— line.

(5) For forms prepared to show the information referred to in (a)(1) above, report in column 1 the year in which the pipeline construction was completed. Leave this column blank when the form is prepared to report the data referred to in (a)(2) above.

(6) In column 2 show the name of the contractor, or subcontractor, and the contract number or other identity.

(7) Enter in columns 3 and 4 the geographical location of the terminal points of the pipeline constructed under the contract. Identify all states through which the pipeline runs.

(8) Show in column 5 the linear feet of pipeline constructed between the termini shown in columns 3 and 4.

(9) In columns 6 and 7 enter, respectively, the average depth and width, in inches, of the trench in which the line pipe was placed.

(10) Provide in columns 8 and 9 the descriptive matter called for pertaining to the line pipe used in the construction of the pipeline. In recording pipe diameter in column 8 show the inside measurement for pipe having diameters up to and including 12; for pipe having diameters in excess of 12 show the outside measurement.

(11) Enter in column 10 the average number of miles it was required to haul line pipe during construction from rail point, pipe yard or other storage location to point of installation.

(12) Record in column 11 the amount of the contract covering the construction referred to in the preceding columns. Where claims by contractors for amounts in excess of the contract are in negotiation or litigation provide details. Identify, also, duplicate or extra costs, such as moving equipment, incurred by subsequent contractors as a result of failure to perform under the original contract.

(13) Show in column 12 the total expenditures incurred by the carrier, or carriers, incident to the construction over and above the amount of the contract.

(14) Show in columns 13 through 17, to the nearest hundredth of a cent, the cost per linear foot of performing the operations identified in the captions of these columns. Record contract and carrier costs on separate lines. Include as clearing and grubbing expenditures in the amount reported in column 13 only those applicable to areas where it is necessary to remove trees and heavy brush, and not for the entire right-of-way. Include the cost of the following operations in the amount reported in column 15: pilot road grading, hauling and stringing pipe, ditching, laying pipe, backfilling, and inspecting and testing pipe. Include in the amount reported in column 16 only those overhead expenditures defined in § 1260.6. Include in the amount reported in column 17 all other pipeline construction costs not

provided for in columns 13 through 16, such as damages, cathodic protection, pipe supports, line markers, etc.

(15) Report in column 18 the total of amounts reported in columns 13 through 17. Total cost per linear foot reported separately in this column, representing contract cost and carrier cost, when multiplied by the linear feet reported in column 5 must agree with amounts reported in columns 11 and 12, respectively.

(16) Immediately below the data entered in the columns of ACV Form No. 9 in accordance with the above, provide the following information in narrative form:

(i) Describe the method used in applying coating referred to in column 14 and state whether it was applied at the factory, storage point or trench site. Also describe the kind of coating including the number and type of enamels, wraps, etc.

(ii) Describe the pipeline right-of-way terrain. Include in such description whether the land in the area of construction is isolated, hilly, mountainous, flat or swampy; whether forest or pasture land or otherwise under cultivation; whether the soil is sandy, rocky, loamy, etc.; and, when necessary, whether water crossings were submerged or overhead, and the identity of the body of water crossed. State also whether the construction area was congested, such as cities or towns, etc.

(iii) Discuss any other conditions encountered during construction which will aid in evaluating the cost data presented.

(c) If there was no pipeline construction during the year covered by the report, so indicate on a separate ACV Form No. 9 showing the accounts in which there was no such activity.

§ 1260.105 Maps.

(a) Right-of-way maps shall be filed for each valuation section. These maps, which shall be 17" × 11" in size, shall be drawn to a scale suitable for clearly identifying what is depicted on the maps. An arrow shall be placed on each map showing the north bearing. The following information shall be shown on each map:

(1) The general direction and approximate geographical location of the line shall be shown, the latter by identifying the state and county, and the city, village, town, township or section, or other geographical identity, through which the line runs, or to which the line is adjacent.

(2) Pipe in the line shall be identified by manufacturer, kind, diameter, weight in pounds per foot, and whether new or secondhand when laid. Loops and parallel lines shall be identified, as shall crude and products lines.

(3) All buildings including offices, pumping stations, and terminals shall be shown; also, tanks and tank areas, bridges, radio and microwave towers and telegraph and telephone lines where includible on the map as drawn, casing locations, and equipment which is not housed in or constituting a part of pumping stations or terminals, such as isolated pumps or gate valves. Where available, carrier assigned numbers or other identification shall be shown for this property depicted on the map.

(4) The beginning and ending survey station numbers assigned to the area depicted on the map shall be shown, as well as such intervening survey station numbers as will establish the location of structures, equipment, and tank and storage areas identified on the map. The beginning and ending survey station numbers assigned to land maps shall also be shown.

(5) Bodies of water shall be identified, and the land area through which the line runs shall be described to indicate whether it is hilly, mountainous or swampy, or in forest or pasture or otherwise under cultivation, and whether it is loamy, sandy or rocky. Other physical features of the terrain traversed by the pipeline shall be identified. Railroads, highways, roads, trails, fences, transmission lines, etc., including those which cross the line, shall also be identified. The beginning and ending survey station numbers shall be shown at the points at which the pipeline crosses or intersects the above described physical features.

(6) In most cases, it will be necessary to prepare a number of maps for a single valuation section. Such multiple maps shall be consecutively numbered beginning with number 1 for each valuation section, and shall show the total number of maps prepared for the valuation section, such as 1 of 10.

(7) There shall be shown in the bottom right-hand corner of each map, in the following order, the name of the carrier or agent filing the map, the state and valuation section identity, the map number, the beginning and ending survey station numbers shown on the map, and the scale used.

Do not include survey station numbers assigned to land maps.

(8) There shall also be shown on each map for the line presented thereon a pipeline footage summary by kind, construction, diameter and weight in pounds per foot. When summarizing screw end pipe increase the footage by 1 percent for screwage and show the total footage including the screwage. Show, separately, the screwage included in the total footage. Show crude and product footage separately. The summary shall be also stated separately for new and secondhand pipe, these classifications to be interpreted as being representative of the pipe when installed.

(9) There shall also be presented on each map a summary of pipeline construction items identified thereon such as casings, vents, pipe supports, fences cut, drains cut, river weights, riprap, valve boxes, danger signs, line markers, piling, concrete, etc.

(10) From the above summaries ACV Form No. 5, headed "Map Summary Totals," shall be prepared for each valuation section to total, by like item, the items included on each map summary. In developing each item total show the number of units of the item on each summary and the number of the map on which the summary is shown. Item totals thus developed must agree with those reported on ACV Forms No. 5 prepared in accordance with § 1260.100.

(11) In those cases where items of property, such as telegraph and telephone lines and microwave installations, are located a great distance from the pipeline right-of-way such property may be shown on one, or more, legible maps 17" × 11" in size.

(b) Land maps, covering land purchased for right-of-way purposes and land purchased to provide required areas for storage, structures and equipment, shall be filed for each valuation section. These maps, which shall be 17" × 11" in size, shall be drawn to scale, not less than 100' equals 1", and shall bear an arrow showing the north bearing. The following information shall be shown on each map:

(1) The geographical location of the land shall be shown by indicating the state and county, and the city, village, town, township or section, or other geographical identity, in which the land is located or to which the land is adjacent.

(2) The dimensions, expressed in linear feet, of each parcel of land identified in column 2 of ACV Form No. 6 shall be shown, and shall bear the number corresponding to that recorded in column 2 of ACV Form No. 6.

(3) Where known, the property lines and the names of the owners, and the utility, of adjoining property shall be shown.

(4) There shall be shown, in outline, on maps covering land purchased to provide required areas for storage, structures and equipment, the location of such property on such land, as well as the location and direction of discharge lines, only, for trunk lines, and the location and direction of all gathering lines. The location and direction of all trunk and gathering lines shall be shown, in outline, on maps covering land purchased for right-of-way purposes.

(5) The beginning and ending survey station numbers assigned to the land covered by the map shall be shown. These survey station numbers shall agree with those shown on right-of-way maps in accordance with paragraph (a)(4) of this section.

(6) Where it is necessary to prepare more than one map for a valuation section, number such multiple maps consecutively, beginning with number 1 for each valuation section, and show the total number of maps prepared for the valuation section, such as 1 of 5. Where a single map covers all the land within a give valuation section it shall be numbered 1 of 1.

(7) There shall be shown in the bottom right-hand corner of each map, in the following order, the name of the carrier or agent filing the map, the state and valuation section identity, the map number, and the beginning and ending survey station numbers shown on the map.

(c) Existing maps meeting the specifications enumerated in paragraphs (a) and (b) of this section may be filed in lieu of preparing new ones.

(d) As directed in § 1260.106 selected items of property identified on maps will be depicted in greater detail on plot plans, and § 1260.107 provides for describing more fully on sketches certain items of property shown on plot plans or maps.

§ 1260.106 Plot plans.

(a) Plot plans, 17" × 11" in size, and bearing an arrow to indicate the north bearing, shall be filed to depict graphically, by schematic drawing or diagram, the following property identified on maps:

(1) *Accounts 105 and 155.* Pipeline bridges.

(2) *Accounts 106, 156, and 176.* Buildings and station grounds.

(3) *Accounts 111 and 161.* Tanks and firewalls.

(4) *Accounts 112 and 162.* Loading racks, railroad tracks, docks and dredged areas.

(5) *Accounts 113, 163, and 183.* Radio and microwave towers.

(b) Plot plans shall be consecutively numbered beginning with number 1 for each valuation section. Show the total number of plot plans prepared for the valuation section, such as 1 of 4. There shall be shown in the bottom right-hand corner of each plot plan, in the following order, the name of the carrier or agent filing the plot plan, the state and valuation section identity, the number of the map showing the property depicted on the plot plan, the plot plan number, and the beginning and ending survey station numbers applicable to the property depicted on the plot plan.

§ 1260.107 Sketches.

(a) Sketches, 17" × 11" in size, shall be filled to describe in greater detail, as indicated below, the following items of property which are depicted on plot plans or maps;

(1) *Accounts 105 and 155.* Profiles of river beds for all crossings, including approaches, and floor plans and elevations for pipeline bridges.

(2) *Accounts 106, 156, and 176.* Floor plans and elevations for buildings.

(3) *Accounts 110 and 160.* Layout for station oil pipe and service pipe.

(4) *Accounts 112 and 162.* Layout for delivery facility oil pipe, and elevation and details for loading racks and docks.

(b) Sketches shall be consecutively numbered beginning with number 1 for each valuation section. Show the total number of sketches prepared for the valuation section, such as 1 of 6. There shall be shown in the bottom right-hand corner of each sketch, in the following order, the name of the carrier or agent filing the sketch, and state and valuation section identity, the number of the plot plan depicting the property described on the sketch (indicate on profiles of river beds for accounts 105 and 155 and on sketches prepared for property reported under accounts 110 and 160 the number of the map on which the property is identified), the sketch number, and the beginning and ending survey station numbers applicable to the property described on the sketch.

§ 1260.108 Photographs.

(a) Representative photographs in sufficient quantity and of such size and clarity as will adequately illustrate the property inventoried shall be filed to provide the following:

(1) Where available, examples of both usual and unusual types of pipeline construction in progress, including river crossings.

(2) Illustrations of right-of-way terrain.

(3) Pictures of property, excluding railroad tracks and dredged areas, for which plot plans are prescribed in § 1260.106; equipment reported under accounts 108 and 158; and instruments and gauges reported under accounts 110 and 160, and 112 and 162.

(4) Pictures of building interiors, pumping stations and terminals.

(b) Photographs shall be mounted and assembled in looseleaf book form on sheets 17" × 11". A cardboard cover shall be provided on which shall be recorded the name of the carrier or agent filing the photographs.

(c) The identity of the subject matter shall be entered beneath each photograph, followed by the geographical location of the property and the State and valuation section number. Show next the map number for photographs depicting pipeline construction and right-of-way terrain, or the plot plan number for photographs of property for which plot plans have been prescribed. Identify, last, for each photograph filed the survey station number, or numbers, which will provide the location on the related map of the property photographed.

§ 1260.109 Special notes.

The following supplemental information shall be presented in narrative form on 17" × 11" sheets:

(a) Provide, for each valuation section, a brief description of the topography of the country traversed by the pipeline, and the general direction, connecting points and termini of the line.

(b) The rainfall and climatic conditions, including any unusual weather encountered during construction.

(c) The number and location of material yards used during construction and the shortest distance to the line for each.

(d) Discuss, by valuation section, the character and depth of trench excavations.

(e) Report the results of any soil surveys made.

(f) An estimate of the remaining life of each oil field served by the pipeline.

(g) Describe any unusual conditions encountered during construction including, especially, those resulting in either unusually high or unusually low construction costs.

§ 1260.110 Identification of aids, gifts, grants or donations.

List, on a separate ACV Form No. 5, the State, valuation section and sheet number on which aids, gifts, grants or donations from private parties are reported on ACV Form No. 5 and on ACV Form No. 6 and by account number the cost, or appraised value, thereof. If no property was acquired by aid, gift, grant or donation enter the word "None" on this report.

§ 1260.111 Reconciliations.

(a) Carrier property: Carriers shall prepare an analysis of the difference between the original cost shown for "Grand Total incl. land and rights-of-way" in column 1 of ACV Form No. 7, and the closing balances in Account 1, Investment in carrier property (primary accounts 101 to 193 inclusive) and Account 2, Cost of organization, as of the effective date of the initial inventory. This analysis shall be in such form as to separately indicate, by subheadings, amounts included in the closing balances of accounts 1 and 2 but not included in the original cost shown for "Grand Total incl. land and rights-of-way" in column 1 of ACV Form No. 7 and vice versa. The details of items shown under each subheading shall be grouped under appropriate descriptive headings according to the nature of the difference.

(b) Noncarrier property: Carriers shall also prepare an analysis of the difference between the amount shown for "Total account 5" in column 1 of ACV Form No. 7 and the closing balance in Account 5, Miscellaneous physical property as of the effective date of the initial inventory.

(c) The above reconciliations shall be presented on ACV Form No. 5.

§ 1260.112 Corporate history and development of fixed physical property.

Report, on 17" × 11" sheets, the following information for the filing carrier and for each predecessor:

(a) Give name of corporation, company, or firm, date of incorporation, and date of organization. If corporation, state whether incorporated under general law or by special act. If incorporated under general law, state where articles of incorporation were filed. If incorporated by special act, give reference to the act.

(b) Describe the property, or portion of property, constructed by each corporation, company, or firm, and show as to each such property, or portion of property, as so constructed, the termini and mileage of each trunk line, the total mileage of gathering lines, the dates of construction, and the dates the property, or portion thereof, was dedicated to public use.

(c) State length of time any such property, or portion of property, was actually operated by any such corporation, company, or firm, giving, in each instance, date of beginning and date of conclusion of such operation.

(d) If any such corporation has gone out of existence, describe the proceedings by virtue of which the dissolution took place. If any such corporation is still in existence, state where its records are kept and give name and address of person who has custody of them.

(e) State fully the chain of title by which the present corporation acquired the property which it now owns or operates. In this connection list all leases, reorganization proceedings and other instruments bearing upon the corporate history.

PART 1261—REGULATIONS GOVERNING THE REPORTING OF PROPERTY CHANGES; PIPELINE CARRIERS

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FORMS

1261.300 List of forms.

AUTHORITY: Sec. 12, 24 Stat. 383, sec. 19a, 37 Stat. 701; 49 U.S.C. 12, 19a.

SOURCE: 32 FR 20482, Dec. 20, 1967, unless otherwise noted.

NOTE: The reporting requirements contained in this part have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

GENERAL

§ 1261.0 Regulations prescribed.

Each common carrier by pipeline subject to provisions of the Interstate Commerce Act is required to comply with regulations in this part in reporting property changes subsequent to the date fixed for the basic inventory of its property. This does not supersede provisions of Valuation Order No. 3—Second Revised Issue, effective January 1, 1919 (Part 1262 of this chapter) requiring all carriers to record and report property changes. Those requirements are adapted by regulations in this part to the terminology and property units peculiar to pipeline carriers, as contemplated by the provisions of sec. 23 of Valuation Order No. 3—Second Revised Issue (§ 1262.23 of this chapter).

§ 1261.1 Prescribed forms.

ACV Forms No. 1, 2, 3, and 4, as listed in § 1261.300, are used as prescribed by this part.

§ 1261.2 Preparation of forms.

Detailed instructions concerning the information to be reported on the forms are set out in §§ 1261.100 to 1261.103, and §§ 1261.200 to 1261.205.

§ 1261.3 Copies required.

The prescribed forms shall be filed with the Commission in an original only and one copy shall be retained by carriers for examination by Commission representatives. Copies of forms prepared by other than filing carriers, appropriately amended by filing carriers to indicate their identity and their designated valuation section numbers, may be filed in lieu of originals.

§ 1261.4 Geographical identity of property changes.

Changes relating to property which is not normally moved from place to place, or mobile property such as vehicles or other work equipment or other property which services a particular valuation section on a reasonably permanent basis, shall be identified with the valuation section and State in which the property is physically located at the end of the reporting period. Changes relating to mobile property servicing more than one valuation section of a State shall be reported as unallocated for the State in which such valuation sections are located. If mobile property services more than one State, changes affecting same shall be reported as unallocated for the carrier as a whole without State identity.

§ 1261.5 Carrier and noncarrier property defined.

Carrier property is that which is used exclusively for common-carrier purposes. Noncarrier property is that which is used exclusively for purposes other than those of a common carrier. These definitions are to be interpreted as disregarding incidental or immaterial use.

§ 1261.6 Reporting changes by class of carrier property.

Property changes shall be reported separately by use and ownership category of carrier property. These are defined as follows:

(a) Class 1: Property owned by a common carrier and used for common-carrier purposes. This class of property includes:

(1) Wholly owned and wholly used by the same carrier.

(2) Jointly owned and used by the same carriers.

(b) Class 2: Property owned by a common carrier but used by another common carrier for common-carrier purposes. This class of property includes:

(1) Wholly owned by one carrier but wholly used by another carrier.

(2) Wholly owned by one carrier but jointly used by other carriers.

(3) Jointly owned by carriers but wholly used by another carrier.

(4) Jointly owned by carriers but jointly used by other carriers.

(c) Class 3: Property used by a common carrier for common-carrier purposes but owned by another common carrier. This class of property includes:

(1) Wholly owned by one carrier but wholly owned by another carrier.

(2) Wholly used by one carrier but jointly owned by other carriers.

(3) Jointly used by carriers but wholly owned by another carrier.

(4) Jointly used by carriers but jointly owned by other carriers.

(d) Class 4: Property used by a common carrier for common-carrier purposes but owned by other than a common carrier. This class of property includes:

(1) Wholly used by a carrier but wholly owned by a noncarrier.

(2) Wholly used by a carrier but jointly owned by noncarriers.

(3) Jointly used by carriers but wholly owned by a noncarrier.

(4) Jointly used by carriers but jointly owned by noncarriers.

(e) All possible ownership and use combinations have not been included in the examples set out under the four classes of property defined above. Questions concerning those omitted shall be submitted to the Commission by carriers on an individual case basis.

§ 1261.7 Responsibility for filing forms.

(a) Class 1 property:

(1) ACV Forms No. 1, 2, 3 and 4 shall be filed by the owning carrier.

(2) For agent operated jointly owned and used property, ACV Forms No. 1, 2 and 4 shall be prepared for the property as a whole by the agent operator. In addition to preparing these ACV Forms No. 1, 2 and 4, agent operators shall also prepare, for jointly owned and used property, ACV Forms No. 1 and 2 showing the proportionate share of original cost changes for the reporting period applicable to each jointly owning and using carrier. Separate forms shall be prepared for each state and the identity of the jointly owning and using carrier shall be entered on

the Report Filed by ———, Property Owned by ———, and Property Used by ——— lines of the forms. The caption "Proportionate Share of the (Name of the system) Jointly Owned and Used" shall be entered in the body of the forms. Where acquisitions have occurred during the reporting period, enter the caption "Acquisitions" in column 6 of ACV Form No. 1, and in columns 6 and 13 of ACV Form No. 2. The affected primary accounts shall then be listed in column 1 of ACV Form No. 1 and in columns 1 and 11 of ACV Form No. 2. The valuation sections in which property changes have occurred shall be set out under the appropriate account numbers, and the original cost of additions and retirements applicable thereto shall be entered in the Original Cost columns of ACV Forms No. 1 and 2. Acquisitions, if any, shall be entered in the columns so headed. Totals shall be shown in these columns for each account.

(3) Agent operators shall also prepare for jointly owned and used property ACV Form No. 4 showing the proportionate share of cost of reproduction new and cost of reproduction new less depreciation, both including overhead, as of the end of the reporting period, applicable to each jointly owning and using carrier. A separate form shall be prepared for each state and the identity of the jointly owning and using carrier shall be entered on the Report Filed by ———, Property Owned by ———, and Property Used by ——— lines of the form. The caption "Proportionate Share of the (Name of the system) Jointly Owned and Used" shall be entered in the body of the form. The valuation sections of the state shall be listed in column 9 of the form and the related cost of reproduction new and cost of reproduction new less depreciation shall be recorded in columns 21 and 22, respectively.

(4) Agent operators shall file the ACV Forms No. 1, 2 and 4, prepared by them in accordance with the preceding paragraphs, with the Commission where they will be reviewed and retained. Upon the completion of this review agent operators will be so advised and will be provided with photocopies of all ACV Forms No. 1, 2 and 4 on which corrections are made by the Commission. Each jointly owning and using carrier shall then be provided by agent operators with two copies of ACV Forms No. 1, 2 and 4, other than those prepared for jointly owned and used property as a whole, one to be retained by the recipient carrier and the other to be filed with the Commission. Copies of ACV Forms No. 1, 2 and 4 prepared by agent operators for jointly owned and used property as a whole may be made available to jointly owning and using carriers by arrangement with agent operators.

(5) For nonagent operated jointly owned and used property, ACV Forms No. 1, 2 and 4 shall be prepared by one of the jointly owning and using carriers, and two copies of these forms shall be mailed by the carrier preparing them to each jointly owning and using carrier. The recipient carrier shall retain one copy of these forms and shall file the other with the Commission.

(6) For both agent and nonagent operated jointly owned and used property, the proportionate share of original cost changes reported on ACV Forms No. 1 and 2 shall be included in amounts reported on ACV Form No. 3, and the proportionate share of cost of reproduction new and cost of reproduction new less depreciation shall be listed on the ACV Form No. 4 summary.

(b) Class 2 and 3 property:

(1) ACV Forms No. 1, 2, 3 and 4 shall be filed by the owning carrier for class 2 property and by the using carrier for class 3 property. ACV Forms No. 1, 2 and 4 may be prepared by a wholly owning but not using carrier, or by a wholly using but not owning carrier. Two copies of these forms shall be mailed by the carrier preparing them to the wholly owning or to the wholly using carrier, as appropriate.

(2) For agent operated jointly owned but not used property, or for agent operated jointly used but not owned property, ACV Forms No. 1, 2 and 4 shall be prepared for the property as a whole by the agent operator. In addition to preparing these ACV Forms No. 1, 2 and 4, agent operators shall also prepare, for jointly owned but not

used and for jointly used but not owned property, ACV Forms No. 1 and 2 showing the proportionate share of original cost changes for the reporting period applicable to each jointly owning or jointly using carrier. Separate forms shall be prepared for each state. For Class 2 property, the identity of the jointly owning but not using carrier shall be entered on the Report Filed by ——— and Property Owned by ——— lines, and the identity of the using carrier, or carriers, shall be entered on the Property Used by ——— line. For Class 3 property, the identity of the jointly using but not owning carrier shall be entered on the Report Filed by ——— and Property Used by ——— lines, and the identity of the owning carrier, or carriers, shall be entered on the Property Owned by ——— line. The caption "Proportionate Share of the (Name of the system) Jointly Owned but not Used, or Jointly Used but not Owned," as appropriate, shall be entered in the body of the forms. Where acquisitions have occurred during the reporting period, enter the caption "Acquisitions" in column 6 of ACV Form No. 1, and in columns 6 and 13 of ACV Form No. 2. The affected primary accounts shall then be listed in column 1 of ACV Form No. 1 and in columns 1 and 11 of ACV Form No. 2. The valuation sections in which property changes have occurred shall be set out under the appropriate account numbers, and the original cost of additions and retirements applicable thereto shall be entered in the Original Cost columns of ACV Forms No. 1 and 2. Acquisitions, if any, shall be entered in the columns so headed. Totals shall be shown in these columns for each account.

(3) Agent operators shall also prepare for jointly owned but not used, and for jointly used but not owned, property ACV Form No. 4 showing the proportionate share of cost of reproduction new and cost of reproduction new less depreciation, both including overhead, as of the end of the reporting period, applicable to each jointly owning but not using, and jointly using but not owning carrier. A separate form shall be prepared for each state. The lines Report Filed by ————, Property Owned by ————, and Property Used by ———— shall be filled in as directed in the preceding paragraph, and the caption "Proportionate Share of the (Name of the system) Jointly Owned but not Used," or "Jointly Used but not Owned," as appropriate, shall be entered in the body of the form. The valuation sections of the State shall be listed in column 9 of the form and the related cost of reproduction new and cost of reproduction new less depreciation shall be reported in columns 21 and 22, respectively.

(4) Agent operators shall file the ACV Forms No. 1, 2 and 4, prepared by them in accordance with the preceding paragraphs, with the Commission where they will be reviewed and retained. Upon the completion of this review agent operators will be so advised and will be provided with photocopies of all ACV Forms No. 1, 2 and 4 on which corrections are made by the Commission. Each jointly owning but not using, and each jointly using but not owning carrier shall then be provided by agent operators with two copies of ACV Forms No. 1, 2 and 4, other than those prepared for jointly owned but not used and jointly used but not owned property as a whole, one to be retained by the recipient carrier and the other to be filed with the Commission. Copies of ACV Forms No. 1, 2 and 4 prepared by agent operators for jointly owned but not used, or for jointly used but not owned property as a whole may be made available to jointly owning or jointly using carriers by arrangement with agent operators.

(5) For nonagent operated jointly owned but not used or jointly used but not owned property, ACV Forms No. 1, 2 and 4 shall be prepared by one of the jointly owning or jointly using carriers, and two copies of these forms shall be mailed by the carrier preparing them to each jointly owning or jointly using carrier. The recipient carrier shall retain one copy of these forms and shall file the other with the Commission.

(6) For both agent and nonagent operated jointly owned but not used, or jointly used but not owned property, the proportionate share of original cost changes reported on ACV Forms No. 1 and 2 shall be included in

amounts reported on ACV Form No. 3, and the proportionate share of cost of reproduction new and cost of reproduction new less depreciation shall be listed on the ACV Form No. 4 summary.

(c) Class 4 property:

(1) ACV Forms No. 1, 2, 3 and 4 shall be filed by the using carrier.

(2) For agent operated jointly used but not owned property, ACV Forms No. 1, 2 and 4 shall be prepared for the property as a whole by the agent operator. In addition to preparing these ACV Forms No. 1, 2 and 4, agent operators shall also prepare, for jointly used but not owned property ACV Forms No. 1 and 2 showing the proportionate share of original cost changes for the reporting period applicable to each jointly using carrier. Separate forms shall be prepared for each state. The identity of the jointly using but not owning carrier shall be entered on the Report Filed by ——— and Property Used by ——— lines of the forms, and the identity of the owner, or owners, of the property shall be entered on the Property Owned by ——— line of the form. The caption "Proportionate Share of the (Name of the system) Jointly Used but not Owned" shall be entered in the body of the forms. Where acquisitions have occurred during the reporting period, enter the caption "Acquisitions" in column 6 of ACV Form No. 1, and in columns 6 and 13 of ACV Form No. 2. The affected primary accounts shall then be listed in column 1 of ACV Form No. 1 and in columns 1 and 11 of ACV Form No. 2. The valuation sections in which property changes have occurred shall be set out under the appropriate account numbers, and the original cost of additions and retirements applicable thereto shall be entered in the Original Cost columns of ACV Forms No. 1 and 2. Acquisitions, if any, shall be entered in the columns so headed. Totals shall be shown in these columns for each account.

(3) Agent operators shall also prepare for jointly used but not owned property ACV Form No. 4 showing the proportionate share of cost of reproduction new and cost of reproduction new less depreciation, both including overhead, as of the end of the reporting period, applicable to each jointly using but not owning carrier. A separate form shall be prepared for each state. The identity of the jointly using but not owning carrier shall be entered on the Report Filed by ——— and Property Used by ——— lines of the form, and the identity of the owner, or owners, of the property shall be entered on the Property Owned by ——— line of the form. The caption "Proportionate Share of the (Name of the system) Jointly Used but not Owned" shall be entered in the body of the form. The valuation sections of the state shall be listed in column 9 of the form and the related cost of reproduction new and cost of reproduction new less depreciation shall be recorded in columns 21 and 22, respectively.

(4) Agent operators shall file the ACV Forms No. 1, 2 and 4, prepared by them in accordance with the preceding paragraphs, with the Commission where they will be reviewed and retained. Upon the completion of this review agent operators will be so advised and will be provided with photocopies of all ACV Forms No. 1, 2 and 4 on which corrections are made by the Commission. Each jointly using but not owning carrier shall then be provided by agent operators with two copies of ACV Forms No. 1, 2 and 4, other than those prepared for jointly used but not owned property as a whole, one to be retained by the recipient carrier and the other to be filed with the Commission. Copies of ACV Forms No. 1, 2 and 4 prepared by agent operators for jointly used but not owned property as a whole may be made available to jointly using but not owning carriers by arrangement with agent operators.

(5) For nonagent operated jointly used but not owned property, ACV Forms No. 1, 2 and 4 shall be prepared by one of the jointly using carriers, and two copies of these forms shall be mailed by the carrier preparing them to each jointly using carrier. The recipient carrier shall retain one copy of these forms and shall file the other with the Commission.

(6) For both agent and nonagent operated jointly used but not owned

property, the proportionate share of original cost changes reported on ACV Forms No. 1 and 2 shall be included in amounts reported on ACV Form No. 3, and the proportionate share of cost of reproduction new and cost of reproduction new less depreciation shall be listed on the ACV Form No. 4 summary.

(d) Forms filed with the Commission shall report all property changes whether made by the owning or by the using carrier.

(e) To assure the prompt review and early return by the Commission of the ACV Forms pertaining to agent operated property required by this Section to be mailed to the Commission, such forms shall be mailed as soon after the close of the reporting year as practicable.

(f) A summary by class of property shall be filed by each carrier on ACV Form No. 4, prepared in accordance with § 1261.103 (d) and (e).

§ 1261.8 Reporting period and filing date.

The forms shall be prepared as of December 31 of each year, shall be filed with the Commission not later than the next succeeding September 30, and shall cover property changes occurring since the date of basic inventory or since the date of the latest previously filed forms.

§ 1261.9 Out-of-service property.

Property temporarily out of service, and held under a definite plan for pipeline operations within a reasonable period of time, shall not be reported as a retirement or reported separately. Out-of-service property not meeting these criteria shall be reported as a retirement.

§ 1261.10 Transfers between category of property.

Transfers between carrier and noncarrier property, between classes of carrier property, or between primary accounts, shall be reported separately as additions and retirements and shall be clearly identified as such.

§ 1261.11 Exceptions.

Exceptions taken by the Commission to property transactions recorded or reported on forms prescribed by Valuation Order No. 3, or Supplements or Revisions thereto, fall into two categories: those evidenced by corrections made by the Commission on ACV Forms filed by carriers; and those made the subject of a letter of exception. Carriers will be provided with photocopies of ACV forms in the former category, and such forms shall supersede and shall replace in the files of carriers the related ACV forms originally filed. No further action need be taken by carriers on exceptions in this category. Exceptions made the subject of a letter of exception shall be processed on the first ACV forms prepared following the receipt of such a letter, and reference shall be made on the forms to the letter directing the action.

§ 1261.12 Reconciliations.

(a) Carrier property: Carriers shall prepare and submit on ACV Form No. 1 an analysis of the difference between the closing balance of original cost shown in column 5 of ACV Form No. 3 for owned property and the closing balance in Account 1, Investment in Carrier Property (primary accounts 101 to 193, inclusive) and Account 2, Cost of Organization at the end of the reporting period. This analysis shall be in such form as to separately indicate by subheadings, amounts included in Accounts 1 and 2 but not included in the closing balance of original cost at the end of the reporting period, and amounts included in the closing balance of original cost but not included in Accounts 1 and 2 at the end of the reporting period. The details of items under each subheading shall be grouped under appropriate descriptive headings according to the nature of the difference.

(b) Noncarrier property: Carriers shall also prepare and submit on ACV Form No. 1 a reconciliation statement showing an analysis of the difference between the closing balance of original cost shown in column 5 of ACV Form No. 3 for owned property and the closing balance in Account 5, Miscellaneous Physical Property at the end of the reporting period.

§ 1261.13 Valuation sections.

Valuation section identity shall be determined as of the date of original valuation, or subsequent thereto when appropriate, subject to the approval of the Commission.

§ 1261.14 Corrections of additions or retirements previously reported.

In reporting corrections of additions or retirements previously reported, the adjusting entry in the current report shall be shown as an increase or as a decrease in the same column in which the original item was reported.

§ 1261.15 Ancillary documents.

The following documents referred to in these regulations will be supplied by the Bureau of Accounts:

1947 Period Guide Prices and Annual and Period Indices.

Schedule of Annual and Period Indices.

Pipeline Condition Percent Table.

Schedule of Element Codes and Guide Service Lives.

Table of Index Reciprocals.

Schedule of ratios of Freight Rates to Delivered Prices of Pipe.

§ 1261.16 Assembling and numbering forms.

(a) To facilitate the review and processing of ACV forms they shall be assembled in the following order prior to their being filed with the Commission:

(1) ACV Form No. 1 bearing the carrier's certification and the identity of the forms filed.

(2) ACV Form No. 1 containing the narrative statement pertaining to significant changes which occurred during the reporting period.

(3) ACV Form(s) No. 1 presenting the Reconciliation Statement for carrier property.

(4) ACV Form(s) No. 1 presenting the Reconciliation Statement for noncarrier property.

(5) ACV Forms No. 3 followed by the ACV Form No. 4 summary. ACV Forms No. 3 shall be arranged as follows:

(i) Class 1 property.

(ii) Class 2 property: Assemble alphabetically by lessee.

(iii) Class 3 and 4 property: Assemble alphabetically by lessor without regard to class of property.

(6) ACV Forms No. 1, 2 and 4 prepared by the filing carrier and those prepared by other than the filing carrier, covering property changes for the reporting period, shall be grouped together by form number in the above order. ACV Form No. 2 listing by state those valuation sections in which there were no property changes for the reporting period shall be placed ahead of the ACV Forms No. 2 reporting property changes. Each group of forms thus assembled shall include all classes of property in the following order:

(i) Class 1 property: For wholly owned and used property, assemble forms alphabetically by state and under each state by gathering, trunk, and general valuation sections grouped separately, with each group in valuation section number order. Arrange forms so grouped by primary account number. For jointly owned and used nonagent operated property, assemble forms for each such property in the same order prescribed for wholly owned and used property, and file alphabetically by jointly owned and used property identity immediately following the forms for wholly owned and used property for the corresponding state. For jointly owned and used agent operated property, assemble forms alphabetically by state and thereunder alphabetically by system, and file immediately following the forms for jointly owned and used nonagent operated property for the corresponding state.

(ii) Class 2 property: For wholly owned but not used, and jointly owned but not used nonagent operated property, assemble forms alphabetically by lessee and thereunder alphabetically by state, the latter in the manner prescribed above for wholly owned and used Class 1 property. Interfile with these forms, alphabetically by lessee and thereunder alphabetically by state, forms for jointly owned but not used agent operated property.

(iii) Class 3 and 4 property: For wholly used but not owned, and jointly used but not owned nonagent operated property, assemble forms alphabetically by lessor, without regard to class of property, and thereunder alphabetically by state, the latter as prescribed above for wholly owned and used Class 1 property. Interfile with these forms alphabetically by lessor, also without regard to class of property, and thereunder alphabetically by state, forms for jointly used but not owned agent operated property.

(b) ACV Forms assembled in accordance with the foregoing shall be numbered consecutively beginning with ACV Form No. 1 referred to in paragraph (a)(1) of this section and ending with the last ACV Form No. 4 assembled under paragraph (a)(6) of this section. These consecutive numbers shall be shown in the top right-hand corner of the forms and shall be in addition to the numbers prescribed to be entered on the Sheet No. ——— of ——— Sheets line of the ACV forms.

§ 1261.17 Location sketches.

A sketch, or sketches, 17" x 11" in size, which need not be drawn to scale, shall be submitted showing, by valuation section, the approximate geographical location of trunk lines and pumping stations. Trunk lines shall be identified by crude or product, and loop or parallel lines shall be shown. The pumping station identity assigned by the carrier shall be indicated and cities adjacent thereto shall be shown. Indicate for gathering lines only the general areas served. It will not be necessary to submit a separate sketch for each valuation section. A single sketch for an entire state will suffice where a carrier's pipelines and pumping stations are located in one state. Where it can be produced legibly, a single sketch will also be acceptable where a carrier operates in a number of contiguous states. Following the initial submission of sketches it will be necessary thereafter to submit corrected sketches only to reflect significant changes such as added pumping stations, entry into a new field, construction of parallel or loop trunk lines, or trunk line extensions or connections.

§ 1261.18 Amendments and deviations.

Only those amendments to or deviations from the regulations prescribed by this part as may be directed by the Commission are authorized.

FORMS INSTRUCTIONS

§ 1261.100 Property changes other than land and rights-of-way.

Instructions for the preparation of ACV Form No. 1 Statement of Property Changes other than Land and Rights-of-Way.

(a) The data to be reported on this form should be typewritten. However, the form may be prepared manually where such method will assure legibility and permanency. Where the form is prepared manually, required additional horizontal lines shall be provided at the time of printing to aid in its preparation and to improve its legibility. A new sheet shall be started for each primary account. When ACV Form No. 1 is used to report changes in noncarrier property, the primary account numbers used for carrier property shall also be employed to facilitate the identification of such changes. With the exception of column 1, all entries on the form shall be double spaced. Additions and retirements shall be reported on separate lines. If there have been no property changes in a given valuation section for the reporting period, a form shall be prepared for each such valuation section bearing the statement "No Property Changes." When a major addition to, or a major replacement of a portion of, a unit of existing property occurs, report as a retirement the entire unit of property affected by the action and, in the case of a major addition, report as an addition both the property so retired and the addition made; in the case of a major replacement, report as an addition both the property retired less the replaced portion, and the replacing portion. For additions or retirements of pipe for accounts 103, 153, 110, 160, 112 and 162 report both the gross linear footage, and the related screwage included in such gross linear footage. To facilitate the preparation and verification of the Pipeline Footage Change Summary, segregate additions and retirements for the above accounts for trunk lines by crude and product, and thereunder separately by line, loops and other. Segregate, also, and report separately additions and retirements for all gathering lines and, if reported, service pipe. Except for service pipe, show both gross linear footage and related screwage totals for additions and for retirements for each of the above segregations.

(b) A single copy of the form shall be used to set forth the following statement which shall be signed by a responsible officer of the carrier preparing the reports:

> The forms identified hereon have been carefully examined by the undersigned who declares that they have been prepared in accordance with regulations issued by the Interstate Commerce Commission.
> (Signature) ——————————————
> (Title) ——————————————
> (Date) ——————————————

There shall also be set forth on this copy the identity and the number of forms filed. Tho assure the receipt of such forms this information shall be presented in such manner as to permit ready verification. A single copy of the form shall also be used to present in narrative form a summary of significant changes which occurred during the reporting period. Record the statement "No significant changes during reporting period" when appropriate.

(c) Sheet No. 1 of ACV Form No. 1 of each valuation section shall be used to identify the primary accounts, by account number only, in which property changes are reported for the valuation section. Footage change totals reported for accounts 103, 153, 110, 160, 112 and 162 in accordance with § 1261.100(a) shall also be summarized on this sheet as follows:

PIPELINE FOOTAGE CHANGE SUMMARY

	Trunk Lines[1]							
	Line		*Loops*		*Other*		*All gath. lines*	
	Adds.	*Rets.*	*Adds.*	*Rets.*	*Adds.*	*Rets.*	*Adds.*	*Rets.*
Account No								
Less Screwage								
Account No								
Less Screwage								
Account No								
Less Screwage								
Totals[2]								
Equivalent Miles								

[1] Indicate whether Crude or Products for trunk lines.

[2] Show footage totals, less screwage, for all accounts. Convert to miles, to the nearest thousandth, and record results on the Equiv. Miles line. Enter these miles on the Pipeline Mileage Statement.

This same sheet shall also set forth a statement of changes in pipeline mileage occurring between the current and the next previously filed statement. This information shall be presented in the following form:

PIPELINE MILEAGE STATEMENT

(In Thousandths)

		During period		
	At beginning of period	*Adds.*	*Rets.*	*At end of period*
Trunk Lines:				
Crude:				
Line				
Loops				
Other				
Totals				
Products:				
Line				
Loops				
Other				
Totals				
All Gathering Lines				

The Pipeline Footage Change Summary and the Pipeline Mileage Statement shall be prepared to include only the category of pipeline being reported, i.e. Trunk Lines—Crude; or Trunk Lines—Products; or All Gathering Lines, as appropriate. It will not be necessary to include the inapplicable portions of the formats shown.

(d) When ACV Form No. 1 is used to report changes affecting jointly owned or jointly used property enter on Sheet No. 1, for each valuation section, an asterisk (*) on the Property Owned by ——— and Property Used by ——— line and, in the body of the form, the identity of both the owning and the using carriers and the percentage of their respective owning or using interest.

(e) ACV Form No. 1 shall be executed as follows:

(1) *Statement of Property Changes From ——— To ———.* Indicate the beginning and ending dates of the period covered by the report.

(2) ☐ *Carrier Property* ☐ *Noncarrier Property.* Place an X in the appropriate block to identify the property being reported. Data shall not be recorded in columns 4, 6, 8, 9, 10 and 12 of ACV Form No. 1 when reporting property changes for noncarrier property.

(3) *Report filed by ——— Property Owned by ——— Property Used by ———.* Enter appropriate identifications. Where jointly owned or jointly used property is being reported, enter an asterisk (*) on the Property Owned by ———and Property Used by ——— line to indicate that the identity of the owning and the using carriers is set out on Sheet No. 1 for the valuation section, as directed in (d) above.

(4) *State ———— Val. Sec. ————* Identify the state and valuation section in which the property changes being reported occurred. Enter the word "Unallocated" on the Val. Sec. ———— line for mobile property servicing more than one valuation section of the state. Enter the word "Unallocated" on the State ———— line for mobile property servicing more than one state, leaving the Val. Sec. ———— line blank.

(5) *Sheet No. ——— of ——— Sheets.* Except when the form is used as a summary or as otherwise directed, the use of this line shall be restricted to identifying the sheets relating to the valuation section indicated on the line above on the form. It shall not be used for the consecutive numbering of all sheets constituting the complete carrier's report of all property changes for the reporting period. When the form is otherwise used this line shall identify the sheets so used.

(6) *Columns 1 and 3.* Property additions described in these columns shall be expressed as prescribed in the 1947 Period Guide Prices and Annual and Period Indices. When reporting significant additions, such as additional pipeline construction, excluding loops, or newly constructed buildings, file with related ACV Forms No. 1 right-of-way maps and station plats for pipeline construction, and floor plan sketches and pictures for buildings. Property retirements need not be described in complete detail. A general description, including the carrier's property number, will suffice. Include in column 1, however, for retirements, the identity of the B.V. Form 590 which reported, as a basic inventory item, the property being retired; include also the identity of the Statement of Property Changes which reported, as an addition, the property being retired. When reporting additions to existing property, such as an addition made to an existing building or tank, indicate this same identity for the existing property to which the addition was made. Report, also, the date of installation of the existing property in column 1. Identify secondhand property and station piping clearly as such in column 1, and indicate the applicable freight rates for accounts 103, 105, 110, 112, 153, 155, 160 and 162. Show in column 1 the computation of the factor and the quotient referred to in (8) below.

(7) *Column 2.* Enter for both additions and retirements the year, including the current year, the property was dedicated to public service. This shall be construed as the year in which the property was first placed in common-carrier service by a carrier, and this date shall also govern when reporting carrier property transactions for each successive owning or using common carrier. Record dates for additions, only, for accounts 104 and 154. When the year of dedication to public service differs from the year the property was actually installed indicate, also, the latter year in column 1. This requirement shall apply equally to property installed by previous owners. Where the precise year cannot be determined enter the best estimate. When showing these dates only the last two digits of the year need be shown. Thus, 1956 may be indicated by 56.

(8) *Column 4.* Enter applicable unit price from the 1947 Period Guide Prices and Annual and Period Indices. Where period guide prices have not been established enter appropriate annual index from this same document, or the corresponding reciprocal from the Table of Index Reciprocals. For retirements from accounts 104 and 154 enter factor, determined by dividing cumulative cost of reproduction new by cumulative original cost, both as of the end of the next previous reporting period. For retirements of construction damages from accounts 105 and 155, enter the quotient of cumulative cost of reproduction new divided by related lineal feet of line pipe, both as of the end of the next previous reporting period. All entries in this column shall be used as multipliers.

(9) *Columns 5 and 11.* Enter the number of units applicable to the property described in columns 1 and 3. Leave these columns blank where the unit in column 3 is Lot.

(10) *Column 6.* Enter, to the nearest dollar, the product of column 5 times column 4. This will represent the cost of reproduction new at 1947 period prices. Entries shall not be made in this column for overhead items.

(11) *Columns 7 and 13.* Enter in these columns, to the nearest dollar, the original cost of each unit, or the aggregate cost of all units, reported in related columns 5 and 11, or the original cost of each lot reported in column 3. The term original cost shall be interpreted to mean the actual cost of property to a carrier at the time of its initial dedication to public use. Overhead items shall be stated separately and shall be clearly defined and identified as such in column 1.

(12) *Columns 8 and 9.* The data to be entered in these columns shall be taken from the Schedule of Element Codes and Guide Service Lives. Where property is to be depreciated to a 50 percent minimum indicate an asterisk (*) after the guide service life in column 9. Service life shall not be shown in column 9 for accounts 104, 105, 154 and 155, nor for element code 124 of accounts 111 and 161.

(13) *Column 10.* Enter applicable percent for additions or retirements from the Pipeline Condition Percent Table. Indicate 100 percent when appropriate. Except as may be otherwise approved by the Commission in individual cases, additions to existing property, such as an addition to an existing building or tank shall follow the condition percent of the property to which it is added. Condition percent for accounts 104 and 105, and, 154 and 155, shall not be shown in this column since the condition percent of these accounts follows the condition percent of accounts 103 and 153, respectively. Omit condition percent also for element code 124 of accounts 111 and 161, since the condition percent for this element represents a composite of the condition percents of the remaining tank elements of accounts 111 and 161.

(14) *Column 12.* Enter, to the nearest dollar, the product of column 11 times column 4. This will represent the cost of reproduction new at 1947 period prices. Entries shall not be made in this column for overhead items.

(f) A total shall be shown on this form, at the end of each account, for columns 6, 7, 12 and 13. The amount of property changes reported in columns 6 and 12 shall then be summarized, by element code, and the summaries entered in these columns below the total, with the appropriate element code, service life, and weighted average condition percent being shown in columns 8, 9 and 10, respectively. Caption this summary "Distribution of columns 6 and 12." The total of amounts summarized by code in columns 6 and 12 must agree with the totals shown at the end of the account for these columns, and this summary shall serve as the posting medium for entries to be made in columns 7, 8, 9 and 10 of ACV Form No. 4.

(g) For jointly owned or jointly used property, the owning and the using percentages set out on Sheet No. 1 for the valuation section shall be applied to the totals prescribed in the preceding paragraph to be shown at the end of each account for columns 7 and 13. The percentages and resultant amounts shall be shown and identified by each owning and each using carrier.

(h) ACV Form No. 1 reporting changes to jointly owned or jointly used property representing less than a valuation section shall report the complete property change. There shall then be indicated on the form the identity of the participating carriers and their owning or using percentage of interest. The appropriate percentage shall then be applied to the totals prescribed to be shown at the end of each account for columns 7 and 13, and by element code for columns 6 and 12. The resultant amounts shall be shown and identified by each owning or using carrier, and two copies of ACV Form No. 1 shall be mailed by the carrier reporting the change to each participating carrier, one to be retained and the other to accompany related forms filed with the Commission. In the case of joint projects involving expenditures not exceeding $5,000.00 each, expenditures representing the portion borne by the carrier may be grouped for the entire valuation section and the total reported as a lot. Joint projects involving expenditures exceeding $5,000.00 each shall be described in complete detail, including the total cost of the project, the identity and percentage of participation, and the number of units, in column 1 of ACV Form No. 1 and the carrier's share of the expenditure reported in total in columns 6, 7, 12 or 13.

(i) See §§ 1261.201 to 1261.205 for instructions covering purchase, sale, merger, consolidation or reorganization actions.

§ 1261.101 Land and rights-of-way property changes.

Instructions for the preparation of ACV Form No. 2—Statement of Land and Rights-of-Way Property Changes.

(a) The data to be reported on this form shall be typewritten. When ACV Form No. 2 is used to report changes in noncarrier property, the primary account numbers used for carrier property shall also be employed to facilitate the identification of such changes. If there have been no property changes in a given valuation section for the reporting period, it will not be necessary to prepare ACV Form No. 2 for such valuation sections. Prepare, instead, a single copy of the form listing thereon by state the valuation sections in which there were no property changes for the reporting period. All classes of property shall be included on this copy. When the form is used to report changes affecting jointly owned or jointly used property enter on Sheet No. 1, for each valuation section, an asterisk (*) on the Property Owned by ——— and Property Used by ——— lines and, in the body of the form, the identity of both the owning and the using carriers and the percentage of their respective owning or using interest.

(b) Instructions set out in § 1261.100(h) pertaining to the manner of preparing ACV Form No. 1 covering changes in jointly owned or jointly used property representing less than a valuation section, or when used to report joint projects, shall also apply in the preparation of ACV Form No. 2.

(c) Maps, prepared in accordance with the specifications set out in Valuation Order No. 26, showing land additions and retirements, shall be filed with ACV Form No. 2 for both carrier and noncarrier property. Land additions and retirements shall also be indicated on carriers' copies of maps. Maps will not be required to be filed where an entire parcel, previously reported, is retired.

(d) In reporting land acquisitions having an original cost of $500.00 or less per individual acquisition, group such acquisitions by county and report original cost and related areas by county total, and identify the county in column 17. It will not be necessary to file maps for acquisitions so reported. Undeveloped land having an original cost of $500.00 or less per lease, leased to a carrier or to a noncarrier, or leased from a carrier, shall not be reported. Undeveloped land leased from a noncarrier having an annual rental of $500.00 or less shall not be reported. When reporting undeveloped land leased from a noncarrier having an annual rental in excess of $500.00 omit original cost. Regardless of the original cost or annual rental amount, land shall be reported where the property leased includes improvements. Exclude, however, original cost when reporting such land leased from a noncarrier. See paragraph (f) of this section for instructions governing the treatment to be accorded leased land for agent or nonagent operated jointly owned or jointly used property. Portions of land owned and no longer used for common-carrier purposes, and having an original cost of $500.00 or less per portion, shall be regarded as incidental and immaterial with respect to its noncarrier category, and such portions shall not be transferred to noncarrier property.

(e) ACV Form No. 2 shall be executed as follows:

(1) From ——— To ———. Indicate the beginning and ending dates of the period covered by the report.

(2) ☐ *Carrier Property* ☐ *Noncarrier Property.* Place an X in the appropriate block to identify the property being reported

(3) *Report Filed by* ——— *Property Owned by* ——— *Property Used by* ———. Enter appropriate identifications. Where jointly owned or jointly used property is being reported, enter an asterisk (*) on the Property Owned by ———and Property Used by ——— line to indicate that the identity of the owning and the using carriers is set out on Sheet No. 1 of ACV Form No. 2 for the valuation section, as directed in (a) above.

(4) *State* ——— *Val. Sec* ——— Identify the state and valuation section in which the property changes being reported occurred.

(5) *Sheet No. ——— of ——— Sheets.* This line shall identify the sheets relating to the valuation section, only, indicated on the line above on the form.

(6) *Column 1.* Enter the number of the land map assigned by the carrier.

(7) *Column 2.* Indicate the number assigned to the parcel, or parcels, on the map identified in column 1.

(8) *Column 3.* Indicate the date and the kind of instrument by which title to, or interest in, each parcel was derived, such as deed, quitclaim deed, condemnation, ordinance, lease, agreement, grant, donation, etc. In the case of land retirements requiring the execution of a new instrument, identify such instrument in this column.

(9) *Columns 4 and 5.* Enter, respectively, the name of the grantor and grantee cited in the instrument identified in column 3.

(10) *Columns 6 and 8.* Enter in these columns, respectively, the area, either in square feet or acres, of the land added or retired.

(11) *Columns 7 and 9.* Enter to the nearest dollar in these columns, respectively, the original cost of additions or retirements for the areas reported in columns 6 and 8. Incidental costs and assessments for public improvements shall be reported separately and shall be identified in columnn 17. Incidental costs and assessments shall be allocated to the parcels affected. If the considerations involved are other than cash identify such considerations in column 17. Enter valuation section totals for these columns.

(12) *Column 10.* Use this column for both land and rights-of-way. Enter the year that the parcel of land, or the year that the first trunk pipeline rights-of-way for the valuation section, or portion thereof, was dedicated to public service. Record this information for both additions and retirements.

(13) *Columns 11 and 12.* Identify the termini of the valuation section, or portion thereof, of trunk pipeline rights-of-way added or retired.

(14) *Columns 13 and 15.* Enter in these columns, for the termini identified in columns 11 and 12, the line miles of trunk pipeline rights-of-way added or retired.

(15) *Columns 14 and 16.* Enter to the nearest dollar in these columns, respectively, the total original cost for the valuation section as a whole of additions or retirements. If the considerations involved are other than cash identify such considerations in column 17.

(16) *Column 17.* Use this column to record information relevant to both land and rights-of-way not otherwise provided for on the form such as, in the case of land or rights-of-way acquired, a statement of the specific use to which such property has been put; or, in the case of land or rights-of-way retired, transferred or relinquished from carrier use, the disposition thereof, such as sales, transfers to noncarrier, reversions, etc. Record also in this column the dollar amount of land or rights-of-way sales.

(f) For jointly owned or jointly used agent or nonagent operated property, record the total original cost of each land change in column 17 of ACV Form No. 2, indicate the owning or using percentages set out on Sheet No. 1 for the valuation section, apply same to the total original cost recorded in this column and show, also in column 17, the resultant amounts representing each jointly owning or jointly using carrier's proportionate share of the change. For land changes other than those reporting the lease of undeveloped land to a carrier or to a noncarrier, or from a carrier, enter the total original cost also in column 7 or column 9, as appropriate. For land changes reporting the lease of undeveloped land add those proportionate shares appearing in column 17 which exceed $500.00 and enter the total in column 7 or column 9, as appropriate. In conformance with the provisions of paragraph (d) of this section, only those proportionate shares appearing in column 17 having an original cost in excess of $500.00 shall be included on ACV Forms No. 2 prepared by agent operators in accordance with § 1261.7, showing the proportionate share of original cost changes applicable to each jointly owning or jointly using carrier; also, jointly owning or jointly using carriers of nonagent operated property shall include only those proportionate shares shown in column 17 having an original cost in excess of $500.00 when preparing their ACV Forms No. 3. In the case of rights-of-way changes affecting jointly owned or jointly used agent or nonagent operated property, the owning or the using percentages appearing on Sheet No. 1 for the valuation section shall be applied to the total original cost recorded for the valuation section as a whole in column 14 or column 16 in accordance with paragraph (e)(15) of this section. The percentages and resultant amounts shall be shown and identified by each jointly owning or jointly using carrier.

(g) See §§ 1261.201 to 1261.205 for instructions covering purchase, sale, merger, consolidation or reorganization actions.

§ 1261.102 Summary of original cost.

Instructions for the preparation of ACV Form No. 3—Summary of Changes in Original Cost and Total Original Cost at Close of Period.

(a) This form includes two identical sections of five columns each for reporting, by primary account and by the noncarrier property categories indicated, the information cited in the title of the form, for the carrier as a whole and for each state and Unallocated. A blank block appears at the top of each section of the form to provide this latter identity. The information required for the carrier as a whole shall be entered in the first section of Sheet No. 1 and this section shall be headed "As a Whole" in the blank block provided. The information required for the first State to be reported shall be entered in the remaining section of Sheet No. 1 of the form, and this section shall bear the name of the State being reported in the blank block provided. The sections of all such additional sheets as may be required shall be used to report the remaining States, and Unallocated, and these sections shall also be appropriately identified in the blank blocks. Record States alphabetically, with Unallocated last in these blank blocks. When the form has been completed, the total of all amounts entered in similarly numbered columns in the state and Unallocated sections shall be balanced, by primary account and by noncarrier property category, with amounts entered in the corresponding columns of the "As a Whole" section. All totals and grand totals indicated to be shown on ACV Form No. 3 shall be crossfooted by individual state and Unallocated sections, which shall then be crossfooted to balance with amounts shown in the "As a Whole" section. Since this form will not be prepared by class of property for noncarrier property, for uniformity in reporting, record the data for all noncarrier property on ACV Form No. 3 prepared for class 1 property.

(b) The data reported on ACV Form No. 3 shall be typewritten and the form shall be executed as follows:

(1) *Summary of Changes in Original Cost From ——— To ———, and Total Original Cost at Close of Period.* Indicate the beginning and ending dates of the period covered by the report.

(2) *Sheet No. ——— of ——— Sheets* This line shall identify the number of sheets constituting the Summary and the individual sheets thereof.

(3) *Report Filed by ——— Property Owned by ——— Property Used by ———.* Enter appropriate identifications.

(4) *Accounts.* The primary accounts and the noncarrier property categories designated in this column shall identify the applicable amounts stated in columns 1 through 5 of both sections of the form.

(5) *Column 1.* Enter the amounts appearing in column 5 of the form for the previous reporting period.

(6) *Column 2. Each state and Unallocated.* Record, by primary account and by noncarrier property category, for all valuation sections, the total of acquisitions recorded on ACV Forms No. 1 and 2 prepared in accordance with § 1261.7(a), (b) and (c); § 1261.201(b) (2) and (3); § 1261.202(b)(1); § 1261.203(b); and § 1261.205(a).

(7) *Columns 3 and 4. Each state and Unallocated.* Record, by primary account and by noncarrier property category, for all valuation sections, the total of additions and retirements recorded on ACV Forms No. 1 and 2 for the reporting period, exclusive of those acquisitions referred to in (6) above.

(8) *Column 5. Each state and Unallocated.* This column is the product of column 1 plus columns 2 and 3 minus column 4.

(9) *Columns 2, 3, 4 and 5. As a whole.* The amounts to be entered in these columns shall represent the total of amounts entered in similarly numbered columns of the state and Unallocated sections.

§ 1261.103 Summary of cost of reproduction new and cost of reproduction new less depreciation.

Instructions for the preparation of ACV Form No. 4—Summary of Cost of Reproduction New and Cost of Reproduction New Less Depreciation.

(a) The data to be reported on this form should be typewritten. However, the form may be prepared manually where such method will assure legibility and permanency. Where the form is prepared manually, required additional horizontal lines shall be provided at the time of printing to aid in its preparation and to improve its legibility. All entries on the form shall be double spaced. Because of changing condition percents and current period indices, it will be necessary to prepare and file this form even though there were no additions or retirements during the reporting period. When the form is used to report changes affecting jointly owned or jointly used property enter on Sheet No. 1, for each valuation section, an asterisk (*) on the Property Owned by ——— and Property Used by ——— line and, in the body of the form, the identity of both the owning and the using carriers and the percentage of their respective owning or using interest.

(b) ACV Form No. 4 shall be executed as follows:

(1) *For the Year* ———. Indicate the calendar year covered by the report.

(2) *Report Filed by ——— Property Owned by ——— Property Used* by ———. Enter appropriate identifications. Where jointly owned or jointly used property is being reported, enter an asterisk (*) on the Property Owned by ——— and Property Used by ——— line to indicate that the identity of the owning and the using carriers is set out on Sheet No. 1 of ACV Form No. 4 for the valuation section, as directed in (a) above.

(3) *State ——— Val. Sec.* ———Identify the state and valuation section in which the property changes being reported occurred. Enter the word "Unallocated" in the Val. Sec. ——— line for mobile property servicing more than one valuation section of the state. Enter the word "Unallocated" on the State ——— line for mobile property servicing more than one state, leaving the Val. Sec. ——— line blank.

(4) *Sheet No. ——— of ——— Sheets.* Except where the form is used as a summary, the use of this line shall be restricted to identifying the sheets relating to the valuation section indicated on the line above on the form. It shall not be used for the consecutive numbering of all sheets constituting the complete carrier's report of all property changes for the reporting period. When the form is used as a summary this line shall identify the sheets so used.

(5) *Freight on Pipe.* Rate ——— percent. Enter the appropriate rate and percentage from the Schedule of Ratios of Freight Rates to Delivered Prices of Pipe.

(6) *Columns 1, 2, 3, 4 and 5.* Enter in these columns, respectively, the same information appearing in columns 1, 2, 3, 11 and 12 of the form for the next previous reporting period. Omit service life and condition percent in columns 3 and 5 for accounts 104, 105, 154, and 155, and for element code 124 of accounts 111 and 161. Where property changes occur during the current reporting period and no entries appear in columns 11 and 12 for the next previous reporting period, enter account number, element code, and service life in columns 1, 2 and 3, respectively, from ACV Form No. 1.

(7) *Column 6.* Enter the applicable current year condition percent for each element code from the Condition Percent Table. Omit condition percent for accounts 104, 105, 154 and 155, and for element code 124 of accounts 111 and 161.

(8) *Columns 7, 8, 9 and 10.* The data to be entered in these columns are those set out in columns 6, 10 and 12 under "Distribution of columns 6 and 12" which appears as the end of each account on ACV Form No. 1 for which property changes are reported. Since this distribution will report no condition percent for accounts 104, 105, 154 and 155, or for element code 124 of accounts 111 and 161, none will be shown in columns 8 and 10.

(9) *Column 11.* The amount to be entered in this column is produced as follows: Column 4 plus column 7, minus column 9 Enter account totals in this column.

(10) *Column 12.*

(i) This condition percent is arrived at by dividing the product of: Column 4 times column 6, plus column 7 times column 8, minus column 9 times column 10, by the amount in column 11.

(ii) In the case of element codes 2, 4, 6 and 8, for accounts 103 and 153 the percentage of cost new shall also be shown in this column. This percentage is determined by multiplying the salvage factor percent (to be shown as SF—in parentheses in column (3) by the difference between the condition percent and 100 percent, and adding the result to the condition percent. Entries in this column shall be shown, for example, as 70/76, the condition percent being 70 and the percentage of cost new being 76.

(iii) A weighted condition percent shall also be developed from the element codes of accounts 103 and 153 which shall be used for conditioning accounts 104 and 105, and 154 and 155, respectively. This weighted condition percent shall be developed as follows: Multiply the amount for each element code in column 11 by the related condition percent (not the percentage of cost new) in column 12. Add the products and divide the resultant sum by the total for account 103 or 153 appearing in column 11. This weighted condition percent shall be shown in parenthesis in this column opposite the total for these accounts. This condition percent shall be entered in this column for the element codes of accounts 104, 105, 154 and 155, and shall be used to condition amounts in column 11 for these elements. It shall not be used to condition accounts 103 or 153.

(iv) A weighted condition percent shall also be developed from the tank element codes of accounts 111 or 161, which shall be used for conditioning element code 124 of these accounts. This weighted condition percent shall be developed by multiplying the amount for each tank element code in column 11 by the related condition percent in column 12, adding the products and dividing the resultant sum by the total of the tank elements for account 111 or 161 appearing in column 11. This condition percent shall be entered in this column for element code 124, and shall be used to condition the amount in column 11 for this element.

(11) *Column 13.* This is the product of column 11 times column 12. For elements 2, 4, 6 and 8 of accounts 103 and 153 use the percentage of cost new instead of condition percent. Where a current period index (Column 14) is common to all elements of an account, the total of the account, only, shall be entered in this column. Enter also in parenthesis in this column for element codes 2, 4, 6 and 8 for accounts 103 and 153, the appropriate salvage factor (SF-) as shown in the Schedule of Element Codes and Guide Service Lives. Indicate account totals in this column.

(12) *Column 14.* Enter the current year period index from the Schedule of Annual and Period Indices. Since the amounts reported in columns 11 and 13 for accounts 103 and 153 include freight, for which a separate period index is established, it will be necessary to develop a weighted index for amounts in columns 11 and 13 for accounts 103 and 153. This weighted index shall be arrived at by multiplying the Freight on Pipe %, shown in the upper right hand portion of the form, by the current year period index for freight on pipe, and adding to this the product of 100 percent less the freight on pipe percent, times the current year period index for line pipe. Enter the weighted index computed for account 103 and for account 153 in this column, opposite the totals shown for these accounts in column 13 and, above the index, the factors used in computing it.

(13) *Columns 15 and 16.* Enter, respectively, the products of column 11 times column 14, and column 13 times column 14.

(14) Enter valuation section totals for columns 4, 7, 9, 11 (these columns must crossfoot), 13, 15 and 16.

(15) Entries will be made on ACV Form No. 4 in columns 17 through 22 as follows for the valuation section as a whole only:

(i) *Columns 17, 18, 19 and 20.* Enter the percentages approved for the carrier for each valuation section.

(ii) *Columns 21 and 22.* Add 100 to each of the percentages in columns 17 through 20, and multiply columns 17 times 18 times 19 times 20. Apply the product to the totals in columns 15 and 16 and enter the results in columns 21 and 22, respectively.

(c) For jointly owned or jointly used property, the owning and the using percentages, set out on Sheet No. 1 of ACV Form No. 4 for the valuation section, shall be applied to each of the totals appearing in columns 21 and 22. The resultant amounts shall be shown and identified by each owning and each using carrier.

(d) ACV Form No. 4 shall be used to produce summaries of the following categories of property:

(1) *Owned and Used Summary.* List wholly owned and wholly used property followed by jointly owned and used property. When listing jointly owned and used property identify the system of which it is a part, or other joint tenant or tenants.

(2) *Owned but Not Used Summary.* List property, whether wholly or jointly owned, leased to carriers and identify lessees.

(3) *Used but Not Owned Summary.* List property, whether wholly or jointly used, leased from carriers followed by property leased from noncarriers. Identify lessors.

(e) Execute the "For the Year," "Report Filed by ———," and "Sheet No. ——— of ——— Sheets" captions in the heading of the form and prepare the summaries, double spaced, as follows:

(1) Enter the following headings on the first line of the body of the form:

Column 7. Val. Sec.
Column 9. Line.
Column 11. Loops.
Column 13. Other.
Column 15. Total Trunk.
Column 16. All Gathering.

(2) Identify the summary being produced. Use the summary titles referred to in (d) above.

(3) On the next line, in column 11, indicate the state being summarized.

(4) Enter on successive lines for each valuation section:

(i) *Columns 7, 9, 11, 13, 15 and 16.* List, from Sheet No. 1 of ACV Form No. 1, the valuation section number and the appropriate mileages recorded in the At End of Period column of the Pipeline Mileage Statement. Add the suffix "Prod." to product valuation section numbers. For jointly owned and used, and jointly owned but not used or jointly used but not owned property, record the total mileage for the valuation section and enter an asterisk (*) in column 6.

(ii) *Columns 21 and 22.* List, from ACV Form No. 4, the totals in these columns appearing at the end of each valuation section. Enter the proportionate share, only, for jointly owned and used, and for jointly owned but not used or jointly used but not owned property.

(iii) Include in the above listing, and identify as "Unallocated" in column 7, ACV Forms No. 4 for mobile property servicing more than one valuation section.

(iv) Where two or more valuation sections are listed in a single state for a given lessee or lessor, indicate a state total for each in columns 21 and 22 only.

(v) For jointly owned and used property identify, beginning in column 1, the system of which it is a part, or other joint tenant or tenants. For owned but not used property, and property used but not owned, identify, also beginning in column 1, lessees and lessors, respectively.

(5) Indicate the subheading "State Totals" in column 4 and enter the totals of columns 21 and 22 only.

(6) Repeat (3), (4) and (5) above until all states have been summarized.

(7) Following the development of state totals enter, on the next line, the caption "Unallocated" in column 11 and, on the same line, record in columns 21 and 22 the totals appearing in these columns on ACV Form No. 4 for mobile property servicing more than one state.

(8) Enter the identification "As a Whole Totals" in column 4 on the next line and, on the same line, record, in columns 21 and 22 only, the grand summary of state and unallocated totals produced in accordance with (5), (6) and (7) above.

(9) When as a whole totals have been developed for each summary enter, on the next succeeding lines, the terms "Total Owned," and "Total Used." Record, in columns 21 and 22, opposite the former term, the totals of amounts appearing in these columns for the owned and used, and owned but not used summaries; record opposite the latter term, in columns 21 and 22, the totals of amounts in these columns for the owned and used, and used but not owned summaries.

(10) Enter an asterisk (*) on the last line followed by the phrase "Undivided joint mileage."

(f) See §§ 1261.201 to 1261.205 for instructions covering purchase, sale, merger, consolidation or reorganization actions.

INSTRUCTIONS COVERING THE PROCESSING OF PURCHASE, SALE, MERGER, CONSOLIDATION OR REORGANIZATION ACTIONS

§ 1261.200 Introduction.

(a) ACV Forms No. 1, 2, 3 and 4, and B. V. Form No. 588-R and related Subschedules prescribed by Supplement No. 8 to Valuation Order No. 3, Second Revised Issue, shall be used as outlined in this section to document actions in the captioned category. The term "acquiring carrier," as used in this section, refers to the carrier gaining title to property; "releasing carrier" refers to the carrier relinquishing title.

(b) Where purchase, sale, merger, consolidation or reorganization actions are between common carriers, the original cost of property to the releasing carrier as of the date of the action shall be used to record such actions. If such actions are between common carriers and individuals, firms, corporations, or others not common carriers, the purchase price paid by acquiring common carriers shall be used to record property acquisitions, and the original cost of property as of the date of the action shall be used to record property releases.

(c) Cost of organization, either added or retired in connection with purchase, sale, merger, consolidation or reorganization actions, shall be reported on ACV Form No. 1 under accounts 116, 166 or 186 as appropriate.

(d) In identifying actions being reported, as directed in §§ 1261.201 to 1261.205, include vendor or vendee identity in cases of significant sales or purchases.

§ 1261.201 Actions between common carriers affecting property representing one or more complete valuation sections.

(a) The releasing carrier shall:

(1) Prepare ACV Forms No. 1 and 2 covering changes occurring between the date of the latest previously filed statements of property changes and the date of the action.

(2) Prepare a separate ACV Form No. 1, by valuation section, identifying thereon the action being reported, showing the balances of original cost and cost of reproduction new remaining after giving effect to the property changes reported in accordance with subparagraph (1) of this paragraph. Identify the primary accounts affected in column 1, enter the appropriate element codes in column 8, and record related cost of reproduction new balances in column 12. Using the same

primary account identity, enter related original cost balances in column 13.

(3) Prepare a separate ACV Form No. 2, by valuation section, identifying thereon the action being reported, showing the balances of original cost remaining after giving effect to the property changes reported on ACV Form No. 2 prepared in accordance with subparagraph (1) of this paragraph. Identify the primary accounts affected in column 1 and enter the balances in column 9 for land accounts, and in column 16 for rights-of-way accounts.

(4) Prepare ACV Form No. 4 through column 11, as directed in Section 1261.103, and include in column 9 amounts reported in column 12 of ACV Forms No. 1 prepared in accordance with subparagraph (2) of this paragraph. This will reduce the balance in column 11 of ACV Form No. 4 to zero.

(5) Provide the acquiring carrier with:

(i) A copy of its December 31, 1947, or later, basic inventory, showing units and costs, of the property affected by the action.

(ii) A copy of all its B. V. Forms No. 588-R and related Subschedules, and ACV Forms No. 1 and 2 covering all property changes through the effective date of the action.

(iii) A copy of its ACV Forms No. 4 referred to in subparagraph (4) of this paragraph showing zero balance in column 11.

(b) Following the close of the reporting period the acquiring carrier shall:

(1) Prepare ACV Forms No. 1 and 2 covering changes for the period from the date of the action to December 31, of the reporting year, including additional organization expenditures.

(2) Prepare a separate ACV Form No. 1, by valuation section, identifying thereon the action being reported. List the primary accounts affected in column 1 and record as acquisitions in column 7 the retirements reported in column 13 of ACV Forms No. 1 prepared by the releasing carrier in accordance with paragraph (a)(2) of this section, and provided the acquiring carrier in accordance with paragraph (a)(5) of this section. Exclude cost of organization reported by the releasing carrier.

(3) Prepare a separate ACV Form No. 2, by valuation section, identifying thereon the action being reported. List the primary accounts affected in column 1 and record as acquisitions in column 7 for land accounts, and in column 14 for rights-of-way accounts, the retirements reported in columns 9 and 16 of ACV Forms No. 2 prepared by the releasing carrier in accordance with paragraph (a)(3) of this section, and provided the acquiring carrier in accordance with paragraph (a)(5) of this section.

(4) Prepare ACV Form No. 4 to cover the entire reporting year, identifying same to indicate that it includes changes applicable to both the releasing and the acquiring carrier. To accomplish this, copy in the corresponding columns of this form the data appearing in columns 1, 2, 3, 4 and 5 of ACV Form No. 4 received from the releasing carrier in accordance with paragraph (a)(5) of this section. Consolidate, by element, the amounts of cost of reproduction new property changes appearing in columns 6 and 12 of the copy of ACV Form No. 1 received from the releasing carrier covering current year changes to the date of the action, and the ACV Form No. 1 prepared by the acquiring carrier covering current year changes from the date of the action to the end of the reporting year. Record these consolidated changes in columns 7 and 9 of ACV Form No. 4 and complete the form as directed in § 1261.103.

(5) Prepare for the carrier as a whole, a separate ACV Form No. 1 identifying differences between amounts covering acquisitions recorded in account 1, Investment in Carrier Property, and related original cost amounts recorded on ACV Forms No. 1 and 2.

§ 1261.202 Actions between common carriers affecting property representing less than a complete valuation section.

(a) The releasing carrier shall:

(1) Identify the action and report same, by account, as a retirement on separate ACV Forms No. 1 and 2, including complete description, units, costs, etc., immediately following the

recording of regular property changes for the reporting year.

(2) Provide the acquiring carrier with a copy of the ACV Forms No. 1 and 2 referred to in paragraph (a)(1) of this section.

(b) The acquiring carrier shall:

(1) Identify the action and report same by account, as an acquisition on ACV Forms No. 1 and 2, including complete description, units, costs, etc., immediately following the recording of regular property changes for the reporting year. ACV Forms No. 1 and 2 received from the releasing carrier in accordance with paragraph (a)(2) of this section shall serve as the posting media for recording these data.

(2) Prepare, for the carrier as a whole, a separate ACV Form No. 1 identifying differences between amounts covering acquisitions recorded in account 1, Investment in Carrier Property, and related original cost amounts recorded on ACV Forms No. 1 and 2.

§ 1263.203 Actions between common carriers and individuals, firms, corporations or others not common carriers.

(a) The releasing carrier shall record the action as a retirement in the same manner as outlined in § 1261.202(a)(1), except that it will not be necessary to prepare separate ACV Forms No. 1 and 2.

(b) The acquiring carrier shall record the action as an acquisition in the same manner as outlined in § 1261.202(b)(1), except that if the property represents a valuation section or more separate ACV Forms No. 1 and 2 shall be prepared, the date of the acquisition shall be the year in which the property is dedicated to public service by the acquiring carrier and the source medium shall be the inventory of the property acquired. This inventory shall state the manner in which it was determined and shall identify the installation dates of the property included therein. Where accurate installation dates cannot be determined the best possible estimate shall be used.

(c) The acquiring carrier shall also prepare, for the carrier as a whole, a separate ACV Form No. 1 identifying differences between amounts covering acquisitions recorded in account 1, Investment in Carrier Property, and related purchase price amounts recorded on ACV Forms No. 1 and 2.

§ 1261.204 Purchases and sales of jointly owned or jointly used agent operated property.

In cases of purchase and sale actions affecting agent operated jointly owned or jointly used property the agent operator shall:

(a) Prepare a summary on ACV Forms No. 1 and 2 for each valuation section, identifying the action being reported, listing thereon by primary account the total addition and retirements, each shown separately, from the date of the latest previously filed statements of property changes to the date of the action. Indicate the appropriate owning or using percentage in effect prior to the date of the action for each jointly owning or jointly using carrier and apply same to the additions and retirements and record the resultant amounts.

(b) Prepare ACV Forms No. 1 and 2 for each valuation section, identifying the action being reported, and showing thereon the following information by primary account:

(1) The balance of original cost at the end of the latest previous reporting period.

(2) The total of additions and retirements reported in accordance with (a) of this section.

(3) The balance of original cost as of the date of the action after giving effect to paragraph (b)(2) of this section.

(c) Apply to the balance developed under paragraph (b)(3) of this section, the percentage representing the relationship between the original cost of the portion of the valuation section involved in the action and the total original cost of the valuation section. Identify the result by each releasing and acquiring jointly owning or jointly using carrier.

(d) Include amounts developed under paragraphs (a) and (c) of this section in totals reported on ACV Forms No. 1 and 2 prepared in accordance with § 156.7 (a), (b) and (c) reporting the carrier's proportionate share of jointly owned or jointly used agent operated property.

(e) Include ACV Forms No. 1 and 2 prepared in accordance with paragraphs (a), (b) and (c) of this section with forms filed with the Commission.

§ 1261.205 Purchases and sales of jointly owned or jointly used nonagent operated property.

(a) The ACV Forms No. 1 and 2 referred to in § 1261.204 (a), (b) and (c) shall be prepared by the carrier having responsibility for preparing the ACV forms for the jointly owned or jointly used property.

(b) Two copies of the ACV Forms No. 1 and 2 referred to in paragraph (a) of this section shall be mailed to each jointly owning or jointly using carrier, one to be retained, the other to be included with reports filed with the Commission.

FORMS

§ 1261.300 List of forms.

ACV Form No. 1—Statement of Property Changes other than Land and Rights-of-Way.

ACV Form No. 2—Statement of Land and Rights-of-Way Property Changes.

ACV Form No. 3—Summary of Changes in Original Cost and Total Original Cost at Close of Period.

ACV Form No. 4—Summary of Cost of Reproduction New and Cost of Reproduction New Less Depreciation.

PART 1262—UNIFORM SYSTEM OF RECORDS AND REPORTS OF PROPERTY CHANGES; COMMON CARRIERS SUBJECT TO PART I—INTERSTATE COMMERCE ACT

Note: Requirements in this part for filing reports with the Commission have been restricted, until further notice, to Class I railroad companies, and to a list of named Class II railroad companies the operating properties of which are generally inseparable from those of an affiliated Class I company. All carriers temporarily so exempted from such reporting requirements were individually notified. This temporary exemption by notice did not relieve any carrier from compliance with requirements for maintaining records or with any other provision of Valuation Order No. 3, second revised issue, and supplements thereto.

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1262.133 Subschedule M.
1262.200 List of units for use of carriers in the preparation of Completion Reports and the Record of Property Changes.
1262.300 List of forms.

AUTHORITY: Sec. 12, 24 Stat. 383, 37 Stat. 701; 49 U.S.C. 12, 19a.

SOURCE: 32 FR 20491, Dec. 20, 1967, unless otherwise noted.

NOTE: In §§ 1262.0 to 1262.300 the numbers to the right of the decimal point correspond with the respective section numbers in regulations and instructions to govern the recording and reporting of all extensions and improvements or other physical property of every common carrier, Valuation Order 3, second revised issue, Interstate Commerce Commission, effective Jan. 1, 1919.

CROSS REFERENCE: For uniform system of records and reports of property changes, pipe line carriers, see part 1261 of this chapter.

REGULATIONS AND INSTRUCTIONS

§ 1262.0 Uniform system for recording and reporting changes in physical property.

(a) The regulations and instructions to govern the recording and reporting of changes in physical property of every common carrier subject to the provisions of the act to regulate commerce, which are set out in printed form to be hereafter known as Second Revised Issue are hereby prescribed for the use of the aforesaid carriers in the keeping of their records and in the preparation of reports of changes in physical property required by the Commission to be filed with it in accordance with section 19a of the Interstate Commerce Act; each and every such carrier and each and every receiver or operating trustee of any such carrier is hereby required to keep its records and to prepare and furnish to the Commission reports of changes in physical property in conformity therewith.

(b) Each and every carrier of the class hereinbefore described and referred to, and each and every receiver or operating trustee of any such carrier, whose property has been inventoried as of June 30, 1916, or as of June 30 of any previous year, shall be, and is hereby, required to file with the Commission on forms like B. V. Form No. 589, as soon as the same can be prepared, showing separately for each valuation section within each State, Territory, and the District of Columbia, annual reports for the years ending June 30 of each year, up to and including the year ending June 30, 1917, and separately a report for the 6 months ending December 31, 1917. Those carriers whose property was inventoried as of June 30, 1917, shall file reports for the 6 months ending December 31, 1917. Thereafter the reports shall be made annually for the year ending December 31. Beginning with the year ending December 31, 1919, the reports shall be made within 60 days from the close of the year. Each and every such carrier, and each and every receiver, or operating trustee of such carrier, be and is hereby required, within 90 days from the date prescribed by the Commission, to file on B. V. Forms No. 588 a statement of the property added since the inventory or since the date of any such previous list, and its cost, and a statement of the property retired or released since the inventory or since the date of any such previous list, and its cost, to December 31, 1927, or to such other date or dates as may be indicated, in accordance with the list of property units attached to Revised Supplement No. 4, to Valuation Order No. 3, Second Revised Issue (§ 1262.200), and the detailed instructions relating to the preparation of Forms No. 588.

(c) [Reserved]

(d) Other reports shall be prepared and filed as called for by the instructions: *Provided*, That each and every carrier of the class described and referred to in this part, and each and every receiver or operating trustee of any such carrier, shall be, and is hereby, required to keep, subsequent to December 31, 1918, the system of records provided in this part, in the manner prescribed in this part, so that reports on the forms and in accordance with the regulations and instructions provided in this part and prescribed can be prepared therefrom.

(e) Each and every carrier of the class described and referred to in this part, and each and every receiver or operating trustee of any such carrier, whose property has been inventoried as of June 30, 1918, or as of June 30 of any previous year, shall be, and is hereby, required, as rapidly as the work can be accomplished, to make up in accordance with "Exhibit E" (§ 1262.300) a record of property changes occurring between the date of inventory and December 31, 1918; the record to be made separately for each year ending June 30, up to and including the year ending June 30, 1917. The period from June 30, 1917, to December 31, 1917, should be shown separately. The period from December 31, 1917, to December 31, 1918, should be for the year for all carriers affected, except carriers whose property has been inventoried as of June 30, 1918. The last-named carriers shall prepare the record for the 6 months ending December 31, 1918. Thereafter the record shall be made up for the year ending December 31.

NOTE: The date for filing B. V. Form 588 and B. V. Form 589 reports, required by § 1262.0, were modified by orders of Apr. 7, 1941, and July 8, 1941; 6 FR 1915, 3478. The order of July 8, 1941, reads in part:

"Carriers are given to October 1, 1941, instead of June 30, 1941, in which to file B. V. Form 589 reports covering such periods, including 1940, for which they have not filed the B. V. Form 588 reports. For years subsequent to 1940 the returns upon B. V. Form 589 will be due on June 1 of the succeeding year provided returns upon B. V. Form 588 will not be filed by December 31. Reports upon B. V. Form 588 for 1941 and for any prior year not covered by such reports shall be filed by December 31, 1942, instead of by June 1, 1942, and beginning with the year 1942, B. V. Form 588 shall be filed annually by December 31, of the following year."

§ 1262.1 General.

That the Commission may be enabled to comply with that portion of section 19a of the act to regulate commerce reading:

> Upon completion of the original valuations herein provided for, the Commission shall thereafter keep itself informed of all new construction, extensions, improvements, retirements, or other changes in the condition, quantity, use, and classification of the property of all common carriers as to which original valuations have been made, and of the cost of all additions and betterments thereto and of all changes in the investment therein, and may keep itself informed of current changes in costs and values of railroad properties, in order that it may have available at all times the information deemed by it to be necessary to enable it to revise and correct its previous inventories, classifications, and values of the properties; and when deemed necessary, may revise, correct, and supplement any of its inventories and valuations.

a uniform system of records, which shall be established by carriers, is here prescribed. In these records it is intended that carriers shall record the extensions, improvements, or other changes that are made in their physical property after the date fixed by the Commission for the inventory of that property. For convenience, the extensions, improvements, or other changes in physical property are hereinafter referred to, individually and collectively, as property changes. From the records prescribed certain reports hereinafter indicated shall be prepared by carriers and filed with the Commission.

§ 1262.2 Records to be established.

(a) The records which compose the system that shall be established are here listed:

(1) Authority for Expenditure, "Exhibit A."

(2) Detailed Estimate Sheet to supplement the Authority for Expenditure, "Exhibit A-1."

(3) Register of Authorities for Expenditures, "Exhibit B."

(4) Roadway Completion Report, "Exhibit C."

(5) Continuation Sheet to supplement the Roadway Completion Report, "Exhibit C-1."

(6) Semiannual Completion Report of Changes in Equipment, "Exhibit D."

(7) Record of Property Changes, "Exhibit E."

(b) The forms of the records numbered (1) to (6), inclusive, here prescribed, are shown by the exhibit lettered "A" to "D" (§ 1262.300). These forms indicate the minimum information required for the Commission's purposes. Any or all of the records above specified may be varied as to the order and arrangement of the data required to be shown, and additional data may be shown at the option of the carrier, provided the minimum information required by these forms and instructions is shown upon the modified forms which carriers elect to use. The seventh record, styled Record of Property Changes, sample sheet of which is marked Exhibit "E" (§ 1262.300) and made a part of the instructions in this part, may be varied to suit the convenience of carriers: *Provided*, The minimum information required by this form and instructions is shown upon the modified form which carriers elect to use: *And provided further*, That such modified form, Exhibit "E" (§ 1262.300), shall not be adopted by the carrier until and unless approved by the Commission. With respect to size of forms, Numbers (1) to (7), inclusive, may be varied to suit the convenience of the carriers.

§ 1262.3 Reports to be prepared.

(a) The reports to be prepared by carriers from these records and filed with the Commission are here listed:

Statements compiled as of June 30 and December 31 of each year, listing the Roadway Completion Reports that have been prepared during the six months ending upon those dates, B. V. Form No. 586.

Statements compiled as of June 30 and December 31 of each year, listing the Equipment Completion Reports that have been prepared during the six months ending upon those dates, B. V. Form No. 587.

Statements of property units added and retired and their costs, to be prepared and filed at such times as the Commission may from time to time direct after the property is inventoried or after the date as of which any such previous lists are prepared and filed, B. V. Form No. 588.

Annual statements of charges and credits to the investment account for property brought into, or retired from, operation, to be prepared as of December 31 of each year, B. V. Form No. 589.

(b) The forms and dimensions of these reports shall be as prescribed and indicated by the samples shown hereafter.

§ 1262.4 Effective date of records; sources of entries.

(a) Carriers shall establish and begin using as of January 1, 1919, that part of the system here prescribed, which is embraced in the records marked exhibits "A" to "D" (§ 1262.300).

(b) The Record of Property Changes, marked exhibit "E," (§ 1262.300) shall be established, and the entries in it shall begin, as of July 1 next succeeding the date fixed by the Commission for the inventory of the property. The entries for the period prior to January 1, 1919, shall be taken from the available records. The source or sources from which the entries have been transcribed shall be shown with particularity for each entry.

§ 1262.5 Classification of property changes.

The property changes recorded in the records here prescribed shall be classified in conformity with the accounting regulations prescribed by the Commission.

CROSS REFERENCE: For record of property changes, see § 1262.18.

§ 1262.6 Recording of quantities.

The actual quantities only of material and property installed during the course of a property change shall be recorded in the records here prescribed. If payments to contractors or others in settlement of losses or claims have been based upon other than the actual quantities installed, the amounts paid shall be entered in the appropriate accounts in the records here prescribed, but the constructive quantities upon which such payments have been computed shall be excluded from these records.

§ 1262.7 Reporting changes participated in by other carriers.

Where one carrier assumes the cost of a change upon another carrier's property, or where one or more carriers participate with the owner in the cost of a change in the latter's property, the full detail of the property units involved and their costs shall be recorded in but one set of records and they shall be the records of the carrier to which the property in which the change has been made was originally inventoried by the Commission.

§ 1262.8 Data required for newly built roads, branch lines constructed, or extensions of existing lines.

(a) There shall be filed with the Commission such maps, profiles, plans, diagrams, or other data for newly built roads as will show the nature and extent of their property and its location. Upon request of the Commission, such roads shall also file an inventory of their property. The valuation section references to be given such newly built roads shall be assigned under advice of the Commission.

(b) Maps, profiles, plans, diagrams, or other data relating to branch lines built, or to extensions of existing lines shall be filed with the Commission. Valuation section references which shall be a continuation in consecutive, numerical order of those previously assigned to the other owned property within the State shall be given to such branch lines and extensions.

(c) When so directed, carriers shall file with the Commission such maps, profiles, plans, diagrams, or other data relating to betterments, improvements, conversions, or retirements of property, as will show the general character and extent of those changes.

CROSS REFERENCES: For map specifications, see Part 1263 of this chapter.

§ 1262.9 Aids, gifts, grants, and donations.

The nature, amount, extent, and value of any aid, gift, grant of right of way, or donation made by the Government of the United States or by any State, county, or municipal government or by individuals, associations, or corporations, to any common carrier in connection with property changes in its property shall be recorded in the records, prescribed in this part of the carrier that was the recipient of such aid.

§ 1262.10 Property acquired through purchase, merger or consolidation.

(a) If a common carrier, by purchase, or through merger or consolidation, acquires part or all of the physical property of another common carrier, the vendor shall issue an Authority for Expenditure and prepare a Completion Report to record its release of the property. The vendee shall issue an Authority for Expenditure and prepare a Completion Report to record its acquisition of the property.

(b) If the transaction involves all of the property devoted to common carrier purposes by the vendor, and that property has been inventoried by the Commission, or if the part transferred consists of one or more valuation sections in entirety, the entries under the heading "Property Retired" in the vendor's Completion Report shall consist of a list of the valuation sections that comprise the property released, arranged by States and with the valuation section termini shown. A copy of the Record of Property Changes recording the changes that have been made in the property during the interval between the date it was inventoried and the date it is transferred to the vendee, shall be prepared by the vendor and given to the vendee at the time the transfer is effected. The record thus secured by the vendee shall be perpetuated and used to record the changes which it makes in the property subsequent to its acquisition. As reference the vendee shall use its own valuation section number or numbers and also refer to the previous owner and its valuation section number or numbers. The vendee shall list in its Completion Report, under the heading "Property Units Added," the valuation sections that comprise the property acquired; the list shall be so arranged, described, and referenced as to correspond with the vendor's list. If new valuation section references are assigned by the vendee to the property acquired, they also shall be shown.

(c) If all, or part, of the property transferred consists of a portion only of a valuation section, an inventory of the portion transferred that is less than a valuation section shall be taken and the Completion Reports of both the vendor and vendee shall enumerate the property units and quantities determined in that inventory, and their costs whenever possible.

(d) If a common carrier acquires railway property from individuals, firms, corporations, or others, that were not common carriers, the vendee shall inventory the property acquired and shall embody the inventory in the appropriate Completion Report.

§ 1262.11 Reporting cost of property sold and cost of property acquired.

The Completion Report of the vendor shall show the cost to the vendor of the property released. The Completion Report of the vendee shall show the cost to the vendee of the property acquired. If, in accordance with prescribed accounting regulations, the vendee is required to record the purchase price of property acquired, such cost shall be distributed equitably among the primary accounts applicable to such property.

§ 1262.12 Units, quantities and descriptions; statement.

The unit designations, the quantities and descriptions recorded in the Completion Reports and in the Record of Property Changes shall be stated so far as possible in the terms of the inventory taken by this Commission.

§ 1262.13 Reports to be attested.

The reports here prescribed to be filed with the Commission shall be attested under oath by the official under whose direction they were prepared.

§ 1262.14 Authorities for expenditures.

(a) Carriers shall issue an Authority for Expenditure for each change in their property. In so far as possible these Authorities shall be issued in advance of making the property changes. Those covering involuntary retirements of property, or changes effected under stress of emergency, may be issued as and when the changes are made.

(b) The Authorities issued for roadway and structural changes shall not overlap valuation section limits. Each Authority issued shall describe the change authorized and its location. A blanket Authority may be issued for minor changes upon a valuation section and for such changes as affect an entire valuation section. Changes in the form of additions, improvements, or retirements, made in connection with a general maintenance program upon a valuation section, may also be authorized under blanket Authority.

(c) Roadway changes shall be authorized separately from equipment changes, except when a railway property, in whole or in part, is acquired in which is included the acquisition of equipment.

(d) The Authorities that are issued for equipment changes shall be drawn separately for the classes indicated by the Commission's classification of investment in road and equipment.

(e) In case the Authorities for Expenditure are issued by other than the company that owns the property in which the change is to be made, the pertinent facts of the circumstance shall be stated. Before issuance each Authority shall be referenced by a registered number with the name of the State and the number of the valuation section suffixed. Those issued for changes in equipment shall bear merely the suffix "Eq."

(f) A form of Authority for Expenditure is shown by the exhibit marked "A." (§ 1262.300)

§ 1262.15 Detailed estimate sheet.

Whenever it is desired to make an extended statement of the estimated cost of any property change, a detailed estimate sheet to supplement the Authority for Expenditure shall be used. A suggested form for this purpose is marked exhibit "A-1." (§ 1262.300)

§ 1262.16 Register of authorities for expenditures.

Each carrier shall establish a register in which to record in consecutive, numerical order with the appropriate State and valuation section references, the Authorities for Expenditures issued. The registered number, with the State and valuation section references suffixed (or in the case of equipment merely the suffix "Eq.") shall become the identifying reference of the change authorized and shall thereafter be so used. A suggested form of

Register is marked exhibit "B," (§ 1262.300) which is shown hereafter.

§ 1262.17 Completion reports.

(a) As each change affecting roadway property is turned over to, or retired from, operation, and as common carrier property is transferred from one owner to another, a Completion Report shall be prepared to record the details of each such change. As illustrative of desirable forms for this purpose, reference is made to the exhibits contained in this part marked "C" and "C-1" (§ 1262.300). Each Roadway Completion Report shall show:

Reference to the authority for expenditure.

The significant facts of ownership and operation.

The location of the property change.

A description of the property change.

By whom the costs involved are borne.

An enumeration by primary accounts of units added.

Aggregate cost but not cost per unit unless work was done by contract at a price per unit, in which case unit contract price shall be given. Aggregate cost of property added and retired shall be distributed by constituent parts or items of property under each primary account.

Cost of effecting property retirements shall be distributed by primary accounts.

Descriptive detail of the property units retired and their costs, and of any valuation sections, in whole or in part, released and their costs.

Classification of the property changes and of the costs involved, among the appropriate accounts.

(b) For changes in equipment, completion reports that will show by classes the minimum information indicated by the exhibit contained in this part marked "D" (§ 1262.300) shall be prepared as of June 30 and December 31, of each year, beginning June 30, 1919. These reports shall show:

Reference to the authority for expenditure.

The significant facts of ownership and operation.

The number, name, or other designation of the unit or series of units to which the change is applicable.

Description of the equipment to which the change is applicable.

Number of units affected by the change.

Description of the change.

Date of change.

Cost of change.

Distribution to the appropriate accounts of the cost of the change.

(c) If completion reports are prepared by other than the carrier that owns the property in which the change has been made, the pertinent facts of the circumstance shall be stated.

(d) Where roadway or structural changes are effected under contract and paid for in a lump sum, a list of the units involved in the change, if not obtainable otherwise, shall be secured by an inventory of the property change. The amount paid under the contract shall be distributed to the accounts to which the property is classified in the inventory.

(e) If portions of an authorized change are turned over to operation before completion of the project as a whole, "Progressive" completion reports, referenced as such and numbered, shall be prepared to record the portions of the change that have been brought into operation. The report that records the conclusion of the authorized change shall be designated as the "final" completion report.

(f) From the completion reports described, transcripts shall be made to the record of property changes, as hereinafter indicated.

(g) Completion reports covering property changes that were in progress on the date of valuation, portions of which changes had been turned over to operation and included in the inventory of this Commission, shall be divided into two parts—the first part to show the property turned over to operation and inventoried as of the date of valuation and its costs, the second part to show the property units subsequently installed and their costs. The quantities and costs included in the second part only shall be transcribed to the Record of Property Changes.

§ 1262.18 Record of property changes.

(a) As of July 1 next succeeding the date fixed by the Commission for inventory of the property, carriers shall establish for each valuation section a Record of Property Changes, the form of which is shown by the exhibit contained in this part marked "E" (§ 1262.300) to which shall be transcribed from the Completion Reports, a record of the changes which affect the property embraced in each valuation section. The record shall be established according to owners of the property in which the change is made and shall be arranged by those primary accounts of the classification prescribed by this Commission for investment in road and equipment that are applicable to each valuation section.

(b) For equipment, the Record of Property Changes shall be established according to owners of the property in which the change is made and in conformity with those primary accounts of the aforementioned classification which are applicable to that class of property. Equipment shall be grouped according to the regional assignment to which it is allocated.

(c) Each transcript to the record shall show reference to the appropriate Authority for Expenditure. In the case of installations of property, the date that such property was turned over to operation shall be shown. In the case of retirement of property, the date that such property was withdrawn from the service shall be shown. The amounts transcribed as the cost of property installed shall be those only that affect the investment in road and equipment. Those costs in the Completion Report that are distributed to other than the investment in road and equipment shall be omitted from the Record of Property Changes. The costs inserted for additional property or improvements shall be stated separately from the cost of property that has been retired. Under the appropriate headings descriptive of property units, there shall be shown separately the units added and the units retired. The entries for retired units shall be in red or otherwise clearly indicated.

(d) The headings inserted in the Record of Property Changes descriptive of property units, shall be stated so far as possible in the terms of the Commission's inventory of the property. As new types of property units are introduced, appropriate descriptive headings shall be inserted.

(e) In aggregating the items entered in the Record of Property Changes the total inserted under each primary account shall be so arranged as to show separately the property additions and their costs, from the property, retirements and their costs, for the period for which the total is being stated. Nowhere in the record shall use be made of net figures or amounts in recording property changes.

(f) The Record of Property Changes shall contain no entries for the inventoried portions of property changes that were under way on the date fixed by this Commission as of which the property was to be valued.

Cross Reference: For classification of property changes, see § 1262.5.

§ 1262.21 Statement of property units added and retired and their costs.

Upon forms like the one marked "B. V. Form No. 588," (§ 1262.300) carriers shall prepare and file with this Commission, when directed, statements that shall show for each valuation section and for equipment: (a) A list of property added since the inventory or since the date of any such previous list and its cost; (b) a list of property retired or released since the inventory or since the date of any such previous list and its cost. The property listed shall be stated in the terms of the inventory and shall be so arranged and classified as to correspond with the inventory. Provision shall be made under each account for inserting descriptions of any new types of property or units that may have been introduced since the inventory. The entries to be inserted in the columns headed "Property Added" and "Property Retired" shall be taken from the Record of Property Changes and shall correspond with the data there recorded. The amounts representing the costs inserted under the heading "Property Added" shall be those only that affect the investment in road and equipment.

Cross References: For property added, see § 1262.102. For property retired, see § 1262.104. For retirement quantities and costs applicable to property retired other than land, see §§ 1262.105, 1262.106. For costs applicable to land retired, see § 1262.108.

§ 1262.23 Records and reports prescribed applicable to all carriers.

The forms of the records and reports prescribed in this part are those applicable to steam roads only, and the instructions governing the use of those records and reports have been expressed in terms that are likewise applicable to steam roads only. Nevertheless, the records and reports prescribed and the instructions governing them, after suitable modification to adapt them to the varying terminology and arrangement of the accounting classifications prescribed by the Commission, shall apply with equal force to all common carriers that are subject to the act to regulate commerce.

FORMS AND REPORTS

§ 1262.101 Form of report.

Upon forms like B. V. Form 588 Revised (§ 1262.300), size 11 by 17 inches the carrier shall file with the Commission, statements that will show for each valuation section and for equipment: (a) A list of property added since the inventory or since the date of any such previous list and its cost.

(b) A list of property retired or released since the inventory or since the date of any such previous list and its cost.

NOTE: Effective with forms prepared and filed to report property changes made during the year 1957, the requirements for filing forms B. V. 588-R in duplicate was canceled, the original only being required to be filed as above.

§ 1262.102 Property added.

Property added shall be reported, together with its cost, separately from property retired and shall be reported by actual "in place" quantities in terms of the units shown in the "List of Units to be used in connection with valuation order No. 3, Second Revised Issue," with descriptive detail to conform with that therein prescribed, or as modified by § 1262.129 of the instructions in this part.

CROSS REFERENCE: For statement of property units added and retired and their costs, see § 1262.21.

§ 1262.103 Cost of property added.

(a) The amounts reported as the cost of property added shall be only those that affect the investment in road and equipment except as hereafter provided with respect to lands, miscellaneous physical property, and cost of road acquired through purchase, merger, consolidation or reorganization, and reconstruction of road so acquired.

(b) The cost reported need be only the total cost of each structure as defined in § 1262.121, the total cost for each mass account as defined in § 1262.120 of the instructions, or as prescribed by the subschedules.

(c) Except that when changes are reported under the unit designation "lot," the cost applicable to such unit shall be also reported.

(d) The costs to be reported for betterments shall be computed in accordance with the rules in the effective accounting regulations. With respect to costs to be reported for track changes in connection with betterments applied, the costs to be reported for account 9, Rails, shall be the cost of the excess in weight of heavier rails laid in replacement of lighter rails; for account 10, Other track material, the excess cost of heavier or improved track material; and for account 11, Ballast, the excess cost of improved ballast. (Added by order of April 17, 1963.)

(e) A supplemental Form No. 588-R shall be filed for account 9, Rails, account 10, Other track material, and account 11, Ballast, bringing the property costs, as shown in the valuation records of the Commission, into conformity with the costs recorded in the books of account pursuant to revised Instruction 2-19 of the accounting regulations. Carriers which recorded costs as shown in valuation records in their books of account at time of reorganizations shall file a supplemental Form 588-R for the period subsequent to the reorganization.

CROSS REFERENCE: For statement of property units added and retired and their costs, see § 1262.21. For subschedules, see § 1262.118.

§ 1262.104 Property retired.

Property retired shall be reported separately from property added, and shall also be reported in terms of the units shown in the "List of Units" (§ 1262.200 (c)) previously referred to, with descriptive details to conform with those therein prescribed, except however, property included in the basic valuation reports and subsequently retired may be stated in terms of the units shown therein. The retirement of a complete structure individualized in the basic reports need be described only to the extent necessary to permit ready identification of such structure in the basic reports.

§ 1262.105 Retirement quantities.

(a) In reporting retirements of property which was included in the final valuation reports of the Commission the quantities thereof shall agree with the quantities included in the final Engineering Report. If loss and waste is included in the reported quantities, a note to that effect shall be made.

(b) In reporting retirements of property which was not included in the final valuation reports of the Commission, but subsequently included in the records and reports prepared in compliance with valuation order No. 3, the quantities shall conform with the record covering the installation of such property.

§ 1262.106 Costs applicable to property retired other than land.

(a) The costs to be reported applicable to property retired other than land shall be:

(1) In column 12, the cost of reproduction new for property included in the basic valuation report, for equipment report also the original cost in column 11.

(2) In column 11, the cost included in the records and reports prescribed by valuation order No. 3 for property installed since date of basic valuation.

(b) [Reserved]

(c) In determining the cost of property retired from service when it is impracticable because of the relatively large number and small size of units of any kind to determine the specific cost thereof, average costs may be used.

(d) When changes are reported under the unit designation "lot," the cost applicable to such unit shall be also reported.

§ 1262.107 Land for transportation purposes.

(a) Changes in lands owned or used for the purposes of a common carrier including acquisitions of lands or rights and lands retired, sold, or otherwise transferred, shall be reported on B. V. Form No. 588, subschedule "L," (§ 1262.300) attached hereto and made a part hereof. This subschedule shall be filed in duplicate with one copy carbon backed. In the preparation of subschedule "L" there shall be shown in column 15 under the caption "Remarks" for lands acquired a statement of the specific use to which such lands have been put and for lands retired or transferred from carrier use the disposition thereof, such as sales, transfers to noncarrier, reversions, etc. Such lands shall be designated by the map number and parcel number shown therefor in the basic Land Report if included therein.

(b) Assessments for public improvements applicable to lands owned or used for common-carrier purposes shall be reported on subschedule "L" in total for each valuation section and by years.

(c) Incidental land cost need not be reported in detail; only the lump-sum cost applicable to each parcel need be shown.

§ 1262.108 Costs applicable to land retired.

The costs to be reported under the heading "Property Retired" for items of land shall be, the cost at the date of dedication to public use, and separately, the amount entered in the investment account to record therein the retirement.

§ 1262.109 Property transferred from carrier use to noncarrier classification and vice versa.

In reporting changes in carrier property, transfers from noncarrier to carrier use shall be considered additions and transfers from carrier use to noncarrier classification shall be considered retirements and conversely when reporting for noncarrier property.

§ 1262.110 Jointly owned or jointly constructed property.

Changes in jointly owned or jointly constructed property shall be reported separately from other property. The total quantities and total costs shall be reported. The total cost shall be shown in the description column and a statement of the names of the owning or participating companies, individuals or political subdivisions with the amounts or proportions owned and contributed by each. The cost to be entered under the heading "Property Added" shall be the portion of the total cost borne by the company for which the report is made plus the cost of property relinquished and retired from service as a direct result of the arrangement less the salvage recovered therefrom, and less the depreciation accrued on the property. The net amount is part of the total cost of the property to the carrier.

§ 1262.111 Changes made in or to property of other common carriers.

Where one carrier assumes the cost of a change upon another carrier's property or where one or more carriers participate with the owner in the cost of a change in the latter's property, the full details of the property units involved and their cost shall be reported separately from other property changes and the facts as to ownership and use shall be stated.

§ 1262.112 Changes in use of property.

(a) Changes in use of carrier property, through leases from or to common carriers, shall be reported in sufficient particularity to permit identification of the property by ownership and physical characteristics in the basic valuation report or other valuation records.

(b) Changes in the use of property through leases from individuals, firms, corporations, or others not common carriers that are in effect at the date of the report shall be appropriately reported.

§ 1262.113 Reconciliation with investment accounts.

The carrier shall prepare and file with reports on B. V. Form 588 (§ 1262.300) a general analysis of the difference between the charges and credits in Columns 5, 11, and 12 of that form and the increases or decreases in the investment account during the reporting period. The detail of items forming such difference shall be grouped under appropriate descriptive headings according to the nature of the difference.

§ 1262.114 Roads acquired through purchase, merger, consolidation, or reorganization.

(a) Pursuant to sections 10 and 11 of order No. 3 (§§ 1262.10, 1262.11) the changes made in the property during the interval between the date it was inventoried to the former owner and the date transferred to the vendee shall be reported separately from the changes made in such property subsequent to its acquisition. In addition to such changes there shall be reported separately a statement of the property acquired together with the money outlay for constructing and improving such property, which statement shall include the amounts representing the difference between the cost of acquisition and such money outlay in the convenience account styled "Difference between the price paid for property acquired and the money outlay for construction and improvement of that property," and also a statement describing the manner in which the money outlays were ascertained and the basis of distribution among the primary accounts that are applicable to the property.

(b) If the property has been acquired from individuals, firms, corporations or others that were not common carriers the statement shall show in addition to the foregoing the manner in which an inventory of the property was determined.

Cross Reference: For railroad consolidation plan and procedure, see Part 1111 of this chapter.

§ 1262.115 Reconstruction of road acquired through purchase, merger, consolidation, or reorganization.

(a) Property changes incident to reconstruction of road acquired shall be reported separately from all other property changes. The units installed and their costs and the units retired and their costs shall be allocated on such report to the primary accounts applicable to the property and under each such account they shall be subdivided to show:

(1) Property added in replacement of like property and the retirements in connection therewith.

(2) Property added in betterment of existing property together with retirements in connection therewith.

(b) With the exception of the foregoing subdivision, the reporting of the units and cost for the property added and property retired shall conform to the general rules set forth in this part for other additions and retirements.

CROSS REFERENCE: For rules concurring additions and betterments to and retirements of units, see § 1262.132.

§ 1262.116 General expenditures (Accounts 71 to 77, inclusive).

When items of general expenditures have been included in a particular road and equipment account as a part of the cost of any specific property such amount shall be separately stated under each primary account on the form and indication shall be given as to the general nature of the items.

§ 1262.117 Other changes.

The foregoing rules in this part relate to the manner of reporting property changes, the cost of which affects the investment in road and equipment account. The rules relating to the manner of reporting changes in miscellaneous physical property are shown in the special instructions in § 1261.23 of this chapter. If there have been other changes which affect the condition and value of the property, such changes shall be reported separately, with their costs, from those the cost of which affects the investment in road and equipment account, but in conformity with the general rules given in this part and an explanation made of the accounting performed in connection with such changes.

§ 1262.118 Subschedules.

Subschedules are provided by the instructions in this part for reporting changes in land equipment and miscellaneous physical property. Other subschedules may be used for reporting the foregoing and other classes of property provided that they are first approved by the Commission as to form and method of preparation. When subschedules are used, total charges and credits for each primary account shall be shown upon B. V. Form No. 588 (§ 1262.300) with appropriate reference to the subschedules. Subschedules shall be filed in duplicate with one copy carbon backed.

§ 1262.119 Division of road accounts.

For the purpose of conveniently indicating the treatment to be accorded different classes of property General Account I, Road (except land), will be considered as containing two distinct classes of property; namely, "mass property" and "structural property." By mass property is meant property of like kind and characteristics, the quantities of which may be considered collectively and reported as a single item. By structural property is meant property which from its nature must be individualized and reported separately from property of like kind and characteristics.

§ 1262.120 Mass property.

This class of property shall be construed generally to include the following:

(a) All items in Account 3, Grading.

(b) All items in Account 6, Bridges, trestles, and culverts and Account 7, Elevated structures, except as required to be individualized and with respect to which instructions are contained in the "List of Units" under this account.

(c) All items in Accounts 8, Tie; 9, Rails; 10, Other track material; 11, Ballast; 12, Track laying and surfacing.

(d) All items in Account 13, Fences, snowsheds, and signs.

(e) All items in Account 26, Communication systems, except equipment of dispatcher or large relay offices.

(f) All items in Account 27, Signals and interlockers, except interlocking plants.

(g) All items in Account 37, Roadway machines; Account 38, Roadway small tools; and paving in Account 39, Public improvements—Construction.

§ 1262.121 Structural property.

This class of property shall be construed generally to include the following:

(a) Under Account 5, Tunnels and subways, each tunnel or subway.

(b) Under Account 6, Bridges, trestles, and culverts; Account 7, Elevated structures; and Account 39, Public improvements—Construction, each bridge or other structure required by the instructions in the "List of Units" under Account 6, to be treated individually.

(c) Under Account 16, Station and office buildings, and Account 17, Roadway buildings, each building except those of minor importance which conform in size and character to an established standard of construction.

(d) Under Account 18, Water stations, each water station or water-treating plant.

(e) Under Account 19, Fuel stations, each fuel station.

(f) Under Account 20, Shops and engine houses, each shop building, engine house, turntable, cinder pit, or gas production plant, each plant.

(g) Under Account 21, Grain elevators, and Account 22, Storage warehouses, each building.

(h) Under Account 23, Wharves and docks, and Account 24, Coal and ore wharves, each wharf, dock, or pier.

(i) [Reserved]

(j) Under Account 26, Communication systems, each dispatcher or large relay office.

(k) Under Account 27, Signals and interlockers, each interlocking plant.

(l) [Reserved]

(m) Under Account 29, Power plants each building, including power substation buildings.

(n) Under Account 31, Power-transmission systems, each shop plant or each power system, including each power-distribution system, power-line poles and fixtures system, and underground conduits system.

(o) Under Account 35, Miscellaneous structures, important structures as may be appropriate.

(p) Under Account 44, Shop machinery, and Account 45, Power-plant machinery, each separate plant.

§ 1262.122 Manner of reporting changes in mass property.

Mass property shall be listed in total by units for all years to cover the complete period subsequent to valuation date or since the date of any such previous list, unless specific instructions to the contrary are given, and the weighted average date (year) of installation shall be shown for each item except for clearing, grubbing, grading, or items in Account 12.

§ 1262.123 Manner of reporting changes in structural property.

(a) Each bridge, building, structure, plant, or facility referred to in § 1262.121 as "structural property" shall be reported separately from every other bridge, building, structure, plant, or facility, and the accessories attached thereto, or forming a part thereof, such as furniture, fixtures, equipment, and appurtenances shall be grouped therewith and reported in appropriate units with descriptive detail as indicated in the "List of Units" § 1262.200(c).

(b) Structural property shall be reported in such a manner as to show date of installation of new facilities, date (year) of additions and betterments made to existing facilities, and date of retirements of facilities or parts thereof.

§ 1262.124 Structural property additions and betterments.

(a) In reporting additions and betterments to and retirements from structural property all changes affecting a given bridge, building, structure, plant, or facility shall be grouped under a common description of such facility or an appropriate reference to the same by page and item number of the Engineering Report. Each change shall be separately recorded thereunder in terms of the units and descriptions prescribed in the "List of Units" (§ 1262.200(c)) and the date (year) of each change shall be noted.

(b) In reporting retirements of units designated as structural property to which additions and betterments have been added since valuation date, the net cost of such additions and betterments shall be stated separately from the costs attaching to the unit as existing on valuation date or as installed subsequently thereto.

§ 1262.125 Structural property; major renewals.

When an important building or structure has been retired and replaced due to the renewal of its major portion, the retirement entry shall show all parts of the structure, including those left in place for reuse; the addition shall include such reused parts, in order that the units reported installed shall embrace all those in the facility as restored to service. Reused units and quantities must be separately stated on the report.

§ 1262.126 Valuation sections.

(a) Reports shall be prepared separately for each valuation section shown in the basic engineering report and for those since established.

(b) Appropriate combinations of present valuation sections should be made within practical limitations, to promote facility and economy, subject to the approval of the Commission.

(c) Roadway machines and other similar items may be reported "Unallocated" subject to the approval of the Commission.

§ 1262.127 Mileage changes.

Report shall be made of all changes in track mileage divided to show separately first main track, second main track, third main track, fourth main track, etc., and yard tracks and sidings.

§ 1262.128 Separations by sheets or subschedules.

The following accounts or groups of accounts should be reported on a single sheet or series of sheets; Accounts 1 and 71 to 77, inclusive; 2, 2½ (reproductible), and 39 (assessments); 2½ (nonreproductible), 3, and 5; 6 and 7; 8 to 13, inclusive, and 39 (construction); 16, 17, and 35; 18 and 19; 20 to 22, inclusive; 23 and 24; 26; 27; 29; 31; 40 to 43, inclusive; and, 44 and 45.

§ 1262.129 Modifications of items and units.

Modification in the items, units, forms, and manner of reporting may be made only with the approval of the Commission.

§ 1262.130 Inventory groups.

(a) The instructions pertaining to the equipment accounts are based on the group plan of recording and reporting changes in such property.

(b) This plan contemplates the establishment of groups of cars, locomotives, etc., hereinafter referred to as "inventory groups." A group once established should remain unaltered except to the extent of additions and betterments to individual units and the retirement of units. An inventory group for property included in the final Engineering Report shall be the group established by the Commission as indicated in the final Engineering Report. For equipment acquired since valuation date each class or series of like units built under uniform plans and specifications shall constitute a new inventory group except that subdivisions may be made for convenience in accounting where a series is constructed at different plants or under varying unit contract costs.

§ 1262.131 Equipment acquired.

(a) Each inventory group established for equipment shall be reported separately from every other such group on B. V. Form No. 588-R or with the descriptive detail outlined in the List of Units. Freight charges shall be separately reported with the place built, f.o.b. point and also the setting-up point for locomotives and receiving point for cars. The name of the vendor shall be reported for equipment purchased second hand.

(b) For rebuilt or converted units constituting a new inventory group reference shall be made to the original group.

§ 1262.132 Additions and betterments to and retirements of units.

The changes which occur in each established inventory group such as additions, betterments, and retirements made since valuation date or since the group was established shall be reported on B. V. Form No. 588-R or subschedule B. There shall be recorded and reported the data indicated by the captions on the subschedule in summary form for each year the current status of each group, as a whole, with respect to the number of units at the end of the year and the changes during the year. There shall be reported in column K a description of major additions and betterments applied during the year or period. (See § 1262.129.) Symbols may be used to describe such additions and betterments.

§ 1262.133 Subschedule M.

(a) On B. V. Form No. 588, subschedule M (§ 1262.300) there shall be reported the changes in the physical property that is owned and "held for purposes other than those of a common carrier," including the additions to, and improvements of such property during the period and the sales, transfers, abandonments, or other dispositions made of such property or any part of it during the same interval.

(b) The information reported shall be as prescribed by subschedule M and shall be grouped as may be appropriate under the following headings that shall be inserted upon the form:

(1) Unimproved noncarrier lands.

(2) Improved noncarrier lands.

(3) Noncarrier improvements upon land which is classified as devoted to common-carrier purposes.

(4) Noncarrier improvements upon lands belonging to others.

(5) Assessments for public improvements applicable to noncarrier lands shall be reported by lump sums for each year.

§ 1262.200 List of units for use of carriers in the preparation of Completion Reports and the Record of Property Changes.

(a) *Order of Commission.* (1) Valuation Order No. 3, Second Revised Issue, prescribing the regulations and instructions to govern the recording and reporting of all extensions and improvements or other changes in physical property of every common carrier subject to the Interstate Commerce Act, provides in section 17, (§ 1262.17) that such carriers shall record on Completion Reports the details of each change affecting roadway property and equipment turned over to, or retired from, operation and of common carrier property transferred from one owner to another; section 18, (§ 1262.18) provides that such carriers shall establish a Record of Property Changes to which shall be transcribed from the Completion Reports a record of the changes which affect the property embraced in each valuation section.

(2) Supplement No. 5 to Valuation Order No. 3, Second Revised Issue, provides that carriers shall report to the Commission on B. V. Form 588 (§ 1262.300) the changes that have been made in the physical property since the date fixed for the basic inventory of the property or since the date of any such previous report.

(3) For the purpose of establishing a uniform manner of recording and reporting such details: *It is ordered,* That:

(i) Each and every such carrier and each and every such receiver or operating trustee of any such carrier, be, and is hereby required, to record such changes in property subsequent to December 31, 1932, in accordance with the list of property units attached hereto and made a part hereof.

(ii) Each and every carrier of the class described and referred to herein and each and every receiver or operating trustee of any such carrier whose Completion Reports, Record of Property Changes, or reports on B. V. Form 588 (§ 1262.300), have not been prepared for a given year or period as of the effective date of this order may prepare such records and reports in accordance with this list of property units.

(b) *Explanation.* (1) The units referred to herein are those prescribed for use of carriers in the preparation of Completion Reports, and also for the Record of Property Changes, and B. V. Form 588-R (§ 1262.300) except as otherwise noted.

(2) The items and units listed are to be considered as merely representative and not as excluding from any account necessary analogous items which are omitted from the list. Where additional units are desired in a given account, appropriate designations may be selected, preferably from the lists in other accounts.

(3) If type symbol designations are used as descriptive of the character and size of items, complete and detail description of what comprises each type shall be prepared, shall be filed with and be subject to the approval of the Commission.

(4) In the following list of units, the phrases shown in the parentheses after each item are indicative of the descriptive information required and the subdivision by classes for each item.

(5) All fixed property must be reported by definite location. Where necessary to supplement descriptions, reference to available plans and specifications should be shown on Completion Report.

(6) Materials salvaged from property retired when reused shall be designated as "second hand." Parts of a structure left in place and reused in connection with property retired and replaced shall be designated as "reused."

(c) *List of units by account numbers.*

Account 1. Engineering (No units are required for this account.)

Account 2. Land for Transportation Purposes

Account 3. Grading

See accounts 6 and 26.

Account 5. Tunnels and Subways

Account 6. Bridges, Trestles, and Culverts

Account 7. Elevated Structures

See account 6.

Account 8. Ties

Account 9. Rails

Account 10. Other Track Material

Account 11. Ballast

Account 12. Tracklaying and Surfacing

Account 13. Fences, Snowsheds, and Signs

Account 16. Station and Office Buildings

Account 17. Roadway Buildings

Account 18. Water Stations

Account 19. Fuel Stations

Account 20. Shops and Engine Houses

Account 21. Grain Elevators

Account 22. Storage Warehouses

Account 23. Wharves and Docks

Account 24. Coal and Ore Wharves

Account 26. Communications Systems

Account 27. Signals and Interlockers

Account 29. Power Plants

Account 31. Power-Transmission Systems

Account 35. Miscellaneous Structures

Account 37. Roadway Machines

Account 38. Roadway Small Tools

Account 39. Public Improvements; Construction

Account 40. Revenues and Operating Expenses During Construction

Account 42. Reconstruction of Road Property Acquired.

Account 43. Other Expenditures, Road

Account 44. Shop Machinery

Account 45. Power-Plant Machinery

EQUIPMENT ACCOUNTS

Account 51. Steam Locomotives

Account 52. Other Locomotives

Account 53. Freight-Train Cars

Account 54. Passenger-Train Cars

Account 56. Floating Equipment

Account 57. Work Equipment

Account 58. Miscellaneous Equipment

Accounts 71, 72, 73, 74, 75, 76, 77

NOTE: Under these accounts there shall be recorded descriptive details which shall clearly set forth the character and the nature of the items and in such particulars as to distinguish as between payments for service, for supplies consumed, and for inventoriable property. With respect to items falling within the last-named class appropriate unit designations shall be selected from the items shown under other accounts.

When items of general expenditures have been included in any road or equipment accounts as part of the cost of any specific property, such items shall be separately stated and the nature appropriately described.

§ 1262.300 List of forms.

Exhibit A—Authority for Expenditure.

Exhibit A-1—Detailed Estimate.

Exhibit B—Register of Authorities for Expenditure.

Exhibit C—Roadway Completion Report.

Exhibit C-1—Roadway Completion Report.

Exhibit D—Completion Report of Changes made in equipment for six months.

Exhibit E—Record of Property Changes.

B. V. Form No. 586—Report of roadway completion reports covering changes for six months.

B. V. Form No. 587—List of equipment completion reports covering changes for six months.

B. V. Form 588, Subschedule B (revised)—Equipment changes.

B. V. Form 588, Subschedule L (revised)—Statement showing changes in lands owned or used for the purpose of a common carrier.

B. V. Form 588, Subschedule M (revised)—Statement showing changes in physical property of owning company held for purposes other than those of a common carrier.

B. V. Form 588, Subschedule N (revised)—Statement showing changes in leases.

B. V. Form 588-R—Statement showing property changes for a certain period.

B. V. Form No. 589—Annual statement of charges and credits to the investment account for property brought into or retired from operation in a State.

SUBCHAPTER D—TARIFFS AND SCHEDULES

PART 1300

PARTS 1300-1319—PASSENGER AND FREIGHT TARIFFS AND SCHEDULES

PART 1300—FREIGHT TARIFFS; RAILROADS, WATER CARRIERS, AND PIPELINE COMPANIES SUBJECT TO SECTION 6 OF THE INTERSTATE COMMERCE ACT AND CARRIERS JOINTLY THEREWITH

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AUTHORITY: Sec. 12, 24 Stat. 383, as amended, 49 Stat. 546, as amended; 49 U.S.C. 12, 304, and secs. 5, 6, 24 Stat. 380 as amended, 49 Stat. 560, as amended; 49 U.S.C. 5, 6, 317.

SOURCE: 32 FR 20510, Dec. 20, 1967, unless otherwise noted.

NOTE: So far as water carriers are concerned, this part is applicable to the construction and filing of tariffs covering the transportation of property which was subject to the Interstate Commerce Act prior to January 1, 1941. This part also covers water common carriers of property which prior to that date were not subject to the jurisdiction of the Interstate Commerce Commission or the Maritime Commission but which elect to file tariffs conforming to the provisions of this part instead of under Part 1308 of this chapter.

CROSS REFERENCES: For air carrier and commercial operator certification and operations, see 14 CFR, Chapter I, subchapter G.

For other regulations applicable to the construction and filing of tariffs and schedules of water carriers of property subject to the Interstate Commerce Act, see Part 1308 of this chapter.

§ 1300.0 General provisions; definitions.

(a) *General application; conformation to rules; reissue.* (1) This part contains regulations issued by the Interstate Commerce Commission, under authority of section 6 of the Interstate Commerce Act, as amended, to govern the construction and filing of freight rate tariffs and classifications of railroads, water carriers and pipeline companies filing under section 6 of the act, and, under authority of sections 217 and 306 of the act, to govern the construction and filing of freight rate tariffs and classifications naming or governing joint rates and routes over motor and water carriers jointly with such carriers subject to part I of the act. The regulations in this part shall also govern the construction and filing of tariffs naming through routes and joint rates over the lines of common carriers by railroad, water, or pipeline, or by railroad jointly with common carriers by motor vehicle, subject to the Interstate Commerce Act, on the one hand, and vessel-operating common carriers by water engaged in the foreign commerce of the United States, as defined in the Shipping Act, 1916, on the other hand, for the transportation of property between any place in the United States and any place in a foreign country. See § 1300.67.

(2) All tariffs filed on or after October 1, 1928, except as otherwise provided in this part or unless otherwise authorized by special permission of the Commission, must conform to the rules in this part. The Commission may direct the reissue of any tariff, power of attorney, or concurrence at any time.

Cross Reference: For filing tariffs, see § 1300.13. For provisions covering statutory notice, additional procedure in filing tariffs, rejection of tariffs or schedules, see § 1300 14. For provisions concerning powers of attorney and concurrences, see §§ 1300.17 to 1300.26, inclusive.

(b) *Definitions*—(1) *Local rate.* The term "local rate," as used in this part, is construed to mean a rate that extends over the lines of one carrier only.

(2) *Local tariffs.* "Local tariffs" are those which contain "local rates."

(3) *Joint rate.* The term "joint rate," as used in this part, is construed to mean a rate that extends over the lines of two or more carriers and that is made by arrangement or agreement between such carriers and evidenced by concurrence or power of attorney.

(4) *Joint tariffs.* "Joint tariffs" are those which contain "joint rates."

Cross References: For joint tariffs issued by joint agents, see § 1300.18(e).

(5) *Through rate.* The term "through rate" is construed to mean the total rate from point of origin to destination. It may be a local rate, a joint rate, or a combination of separately established rates.

[32 FR 20510, Dec. 20, 1967, as amended at 38 FR 16231, June 21, 1973; 40 FR 32832, Aug. 5, 1975; 41 FR 9351, Mar. 4, 1976]

§ 1300.1 Form size, and arrangement.

(a) All tariffs and supplements thereto must be in book, pamphlet, or loose-leaf form of size 8 by 11 inches, and must be plainly printed on hard calendered or No. 1 machine finished book paper of durable quality using type of size not less than 8-point bold or full face, except as provided in § 1300.3(b) as to ICC number and § 1300.9(k) as to vacation notice and except further that not less than 6-point bold-face type may be used for reference marks, for explanation of reference marks when such explanation appears on the page on which such reference marks appear, and for column headings and other places where only a few words are used continuously. Stereotype, planograph, or other similar durable process may be used, provided the copies posted and filed are clear and legible in all respects. Reproductions by hectograph or similar process, typewritten sheets or proof sheets must not be used for posting or filing. Alterations in writing or erasures must not be made in tariffs filed with the Commission or posted at stations.

(b) A margin of not less than five-eighths of an inch without any printing thereon must be allowed at the binding edge of each tariff. When rates, rate basis numbers, or numerals used for other purposes are shown in tables, the page shall be ruled from top to bottom. When not more than three figures or letters, including reference characters, are employed, the columns shall be not less than one-fourth of an inch in width with a correspondingly greater width when more than three figures or letters, including reference characters, are employed. In such tables a break in the printed matter of at least one space across the page or a ruled line shall appear after each sixth line or less.

§ 1300.2 Changes to be indicated in tariff or supplement.

(a) *Symbols.* (1) All tariff publications and supplements thereto must indicate changes thereby made in existing rates or charges, rules, regulations or practices, or classifications by use of the following uniform symbols in connection with such changes:

↓ to indicate reductions.
♦ to denote increases.
▲ to denote changes in wording which result in neither increases nor reductions in charges.

(2) Explanation of such symbols must be provided in the tariff or supplement in which used, and these symbols shall not be used for any other purpose.

(3) When a change of the same character is made in all or in substantially all rates in a tariff or supplement, or a page thereof, that fact and the nature of such change may be indicated in distinctive type at the top of the title page of such issue, or at the top of each page, respectively, in the following manner, "All rates in this issue are increases," or "All rates on this page are reductions except as otherwise provided in connection with the rates." Under this paragraph of the rule a bold-face dot, "● " must be used to symbolize a rate in which no change has been made. This symbol must not be used for any other purpose.

(b) *Omissions from previous tariff.* When a tariff or supplement canceling a previous issue omits points of origin or destination, or rates, ratings, rules or regulations, or routes which were contained in such previous issue, the new tariff or supplement shall indicate the cancellation in the manner prescribed in § 1300.8(e), and if such omissions effect changes in charges or services that fact shall be indicated by the use of the uniform symbols prescribed in paragraph (a) of this section.

§ 1300.3 Content of tariff title page.

The title page of every tariff and of every supplement shall show in the order named:

(a) [Reserved]

(b) On the upper right-hand corner, the ICC identification. Prior to January 1, 1977, tariffs may use either one of two systems of identification, subject to certain restrictions. One is the numbering system whereby each carrier and agent numbers each new issue consecutively. The other is the system employing both alphabetical characters (the code signifying the issuing carrier or agent) and numbers (the carrier's or agent's own tariff number including a suffix letter, if any). See § 1300.31—–ICC Numbering Systems for details. The first is referred to in these rules as the "ICC number" and the other, while also an ICC number, is differentiated by referring to it as "standard ICC designation." In either case the type shall be bold-face and of not less than 12 point. Immediately under this designation or number, in smaller type, shall be shown the ICC designation or ICC number (and letter, if any) of each tariff or the number of each supplement canceled thereby. If the number of canceled publications is so large as to render it impracticable to thus enter them on the title page, they must be shown immediately following the table of contents, provided specific reference thereto is entered on the title page directly under the ICC designation or number. Carrier's serial numbers, if desired, may be entered below the upper marginal line of a title page showing an ICC number (not standard ICC designation).

(c) Corporate name of issuing carrier or name of agent issuing under power of attorney. (See § 1300.4(b).)

(d) Whether tariff or supplement contains local, joint, proportional, export, or import rates, or any combination of such rates; whether it contains class or commodity rates or both and whether it contains all-rail, rail-motor, all-water, or rail-water rates, or any combination of such rates.

(e) The territory or points from and to which the tariff or supplement applies, briefly stated by Territories, States, points, or carriers. Where the publication contains both specific and distance or mileage rates, the title-page description must include the application of the distance or mileage rates as well as that of the specific rates. (See § 1300.4(d).)

(f) (1) Reference by name and I.C.C. number to the classification, exceptions thereto and/or rules circular, if any, governing the tariff. One of the following forms modified as required shall be used.

> Governed, except as otherwise provided herein, by the —— classification, —— I.C.C. No. —, by exceptions thereto, —— I. C. C. No. —, and by supplements to or successive issues of said publications,

or

> Governed, except as otherwise provided herein, by (here insert common or popular name of governing classification) and by exceptions thereto, as described in Item —

(2) Use of the short form title page reference as provided in (ii) is on condition that complete and formal description of the governing publication(s) be made in the numbered item to which reference is made on the title page.

(3) A tariff is not governed by a classification, classification exceptions, or rules circular, except when and to the extent stated on or in the tariff.

(g) Date of issue and date effective. A provision in a tariff or supplement that the same or any part thereof, will expire with a given date, is not a guaranty that the tariff or supplement, or such part of it, will remain effective until and including that date. Such provision if used, will be held to mean that the tariff or supplement, or specified part of it, will expire with the date named, unless the date is changed on statutory notice, or under authority of special permission of the Commission. In such tariffs or supplements the term "Expires with (date) ————, unless sooner canceled, changed or extended" must be used. The term "Expires with close of business" on a named date must not be used.

(h) On every tariff or supplement in which all the rates, rules, or regulations are made effective on less than 30 days' notice under authority of the Commission, notation that it is issued on ———— days' notice under authority of ———— (here show the authority).

CROSS REFERENCE: For exceptions to general effective date, see § 1300.9(d).

(i) At the bottom of the title page—name, title and mail address of the individual actually responsible for compiling and filing the schedule. If the tariff is issued by a natural person as agent, his name must be shown with the title of "Agent." If issued by a corporation or association as agent, the name and title of the person responsible for the actual compilation and filing must be shown.

[32 FR 20510, Dec. 20, 1967, as amended at 40 FR 36351, Aug. 20, 1975]

§ 1300.4 Content of tariffs.

Tariffs shall contain in the order named:

(a) *Table of contents.* A full and complete statement, in alphabetical order, of the exact location where information under general headings, by subjects, will be found, specifying page or item numbers. If a tariff contains so small a volume of matter that its title page or its interior arrangement plainly discloses its contents, the table of contents may be omitted.

(b) *Names of participating carriers.* A list, alphabetically arranged, of the correct names of all carriers participating therein, together with the form and number of power of attorney or certificate of concurrence. If there be not more than 10 participating carriers, their names and power of attorney or concurrence forms and numbers may be shown on the title page. Reference to the forms and numbers of powers of attorney and concurrences may be omitted provided this information is furnished to the Commission in an acceptable form.

CROSS REFERENCE: For provisions concerning powers of attorney and concurrences, see §§ 1300.17 to 1300.26, inclusive.

(c) *Index of commodities.* (1) A complete index, alphabetically arranged, of all articles upon which commodity rates are named therein, together with reference to each item (or page) where such article is shown. When nouns are not sufficiently distinctive, articles shall also be indexed under their adjectives. All of the entries relating to different kinds or species of the same commodity shall be grouped together. For example, all items of coal "Coal," and descriptive word or words following, as "Coal, anthracite," "Coal, bituminous," etc.

(2) When articles are grouped together in one list under a generic heading as authorized in paragraph (i)(8) of this section, such generic heading shall be shown in the index and opposite thereto shall be shown reference to each item (or page) where the generic term is used. Each article in the list must be shown separately in its proper alphabetical order in the index, together with reference to each item (or page) where such article is shown by name, but reference to the items (or pages) containing rates applying on the complete list may be omitted provided reference is given to the generic heading as it appears in the index or to an item in that tariff which contains a complete list of the articles covered by the generic term or to the ICC number of a separate tariff which contains such list.

(3) If all of the commodity rates to each destination in a general commodity tariff or a combined class and commodity tariff are arranged in alphabetical order by commodities, the index of commodities may be omitted from that tariff.

CROSS REFERENCE: For commodity-list tariffs see § 1300.6.

(d) *Index of stations.* (1) An alphabetical index of all points from which rates apply, and a separate alphabetical index of all points to which rates apply together with the names of the States or Territories in which located, except that when the rates apply in both directions between all or substantially all of the stations, the points of origin and destination may be shown in one index. Such index or indexes must contain the item numbers in which rates from or to such points appear, except that when station numbers are arranged in numerical order or when stations are alphabetically arranged in commodity items, and such commodity items are referred to in the commodity index prescribed by paragraph (c) of this section, item numbers and page numbers may be omitted from the index of points. When item numbers are not used the index or indexes must contain the index numbers of the points and the pages on which rates from or to such points will be found, except that when the index numbers are arranged in the rate tables in numerical order the page numbers may be omitted from the index. If there be not more than 12 points of origin or 12 points of destination, the name of each, if practicable, may be shown in alphabetical order on the title page of the tariff and the index of such points of origin or destination, as the case may be, may be omitted.

(2) If rates are shown in the tariff by territorial groups, such as "Colorado common points," "Chicago and points taking the same rates," or "Chicago and points taking the same rates and arbitraries or differentials to be added to or deducted therefrom," the indexes of points of origin and destination required by the paragraph (d)(1) of this section must show for each point in such groups the railroad on which it is located and the group to which it is assigned, except that where reference is made to a separate publication as provided in § 1300.15 for lists of points in such groups, such points may be omitted from the indexes, *Provided,* That (i) there is shown in the table of contents specific reference to the item or page which gives ICC reference to the separate publication, and (ii), if the tariff contains any index of stations, there is shown at the head of such index ICC reference to the separate publication.

(3) If points of origin or of destination are shown throughout the tariff of rates, or throughout one or more sections of such tariff, alphabetically by States, and such States are alphabetically arranged, or if points of origin or of destination are shown throughout the tariff of rates in con-

tinuous alphabetical order no index of such points of origin or of destination will be required. But when such alphabetical arrangement in the tariff is used, the table of contents must refer to the pages on which points are shown and when arranged by States must give reference to the pages on which rates from or to points in each State will be found.

(4) When rates are shown in a tariff by geographical arrangement of stations, index numbers must be shown in connection with each station and in the alphabetical index of stations.

(5) If rates are shown in a tariff by geographical grouping of station index numbers, the alphabetical index of points of origin and of destination must show for each point the railroad on which it is located and the proper station number, and the tariff must contain a geographical list of stations in the order named in the rate tables, or refer by ICC number to a separate publication filed in accordance with §§ 1300.10(i) or 1300.15 which contains such geographical list of stations with corresponding station numbers. The station index number must follow the name of the station in the alphabetical index of stations and must precede the name of the station in the geographical list in all tariffs containing such list of stations.

(6) When the application of a tariff is extended to cover additional points by an intermediate rule as authorized in § 1300.27 or when the points in a tariff are arranged by States as authorized in paragraph (j) of this section, no index of such points need be shown.

(e) *Public holding out.* (1) Tariffs must contain only rates, charges, and related provisions that cover services in strict conformity with each carrier's public holding out. No provision may be published in tariffs, supplements, or revised pages which results in restricting service to less than the carrier's full obligation to the public to provide and furnish transportation or which exceeds such carrier's lawful public holding out.

(2) Tariffs and supplements thereto filed prior to the effective date of § 1300.4(e)(1) which do not conform to those requirements shall be brought into conformity therewith on or before November 15, 1973.

(3) Unless each tariff filed on and after the effective date hereof contains a certification by the carrier filing the same that, with respect to all of the services described therein (except those services being published for the first time), it is in fact (i) fully offering and, when requested, impartially providing all of its obligated services, and (ii) fully observing all requirements of law and the regulations prescribed by the Commission, the tariff or supplement will be rejected until such time as certification thereof is made. Such service includes service on c.o.d., freight-collect, and order-notify shipments, including such services on shipments transported under combinations of rates.

(f) *List of exceptions.* List of exceptions, if any, to the classification or classification exception tariff or tariffs governing the tariff.

(g) *Explanatory statements.* Such explanatory statements in clear and explicit terms regarding the rates and rules contained in the tariff as may be necessary to remove all doubt as to their proper application.

(h) *Rules governing the tariffs.* (1) Rules and regulations which govern the tariff, the title of the subject of each rule or regulation to be shown in distinctive type. Under this head all of the rules, regulations, or conditions which in any way affect the rates named in the tariff shall be entered, except as otherwise provided in this part. A special rule affecting a particular item or rate must be specifically referred to in such item or in connection with such rate.

(2) Each rule or regulation should be given a separate number; portions which can be understandingly read without recourse to the whole may be published in separate paragraphs and such paragraphs be given subnumbers or letters.

(3) Except as provided in §§ 1300.7(c), 1300.27, no rule or regulation shall be included which in any way or in any terms authorizes substituting for any rate named in the tariff a rate found in any other tariff, nor shall any rule be provided to the effect that traffic of any nature will be "taken only by

special agreement" or other provision of like import.

(4) Where it is not desirable or practicable to include the governing rules and regulations in the rate tariff, such rules and regulations may be separately published in tariffs filed by an individual carrier or by an agent. A carrier may have not more than two such rules tariffs, one published by an individual carrier and the other by an agent, except as follows:

(i) A carrier operating in more than one rate territory may have two such tariffs (one by an agent and one by a carrier) for each of such territories. The rate territories to which reference is here made are: New England, trunk line, central, southern, western trunk line, and southwestern territories, and all of western territory not embraced in southwestern or western trunk-line territories.

(ii) The following tariffs will not be counted in applying the provisions of this section: Tariffs containing exclusively rules, regulations, and/or charges applying to the special services covered by § 1300.10(a); classification and classification exception tariffs authorized in § 1300.16; territorial directories, rate bases, and billing books authorized in § 1300.15; tariffs containing rules and regulations governing the transportation of explosives and other dangerous articles; tariffs containing list of stations showing facilities, billing instructions, etc., as authorized by § 1300.10(i); tariffs containing information with respect to freight cars required by § 1300.10(j); and tariffs containing exclusively provisions governing the terminal applications of rates to or from large terminal districts such as New York and Chicago.

(5) Separate publications may be made of the rules and regulations pertaining to a specific commodity to which reference by ICC number may be made in tariffs that contain rates on that commodity only, provided the general rules circular published under this section shall also contain a reference as follows:

For rules and regulations applying on—— (here name commodity) see ICC No.—.

(6) When rules or regulations are thus separately published, rate tariffs may be made subject thereto only by specific ICC reference in the rate tariff. This reference should be made in substantially the following form:

Governed, except as otherwise provided herein, by rules and regulations shown in —— ICC No. —, supplements thereto or successive issues thereof.

(7) When tariffs of joint rates make reference to separate publications for governing rules and regulations such separate publications must be concurred in by all of the carriers parties to such joint rates.

(8) Tariffs which contain rates for the transportation of explosives and other dangerous articles must also contain the hazardous materials regulations of the Department of Transportation governing the transportation thereof, or must bear specific reference to the ICC number of the publication which contains such rules and regulations. When the latter plan is adopted, the tariff referred to shall contain no matter other than the regulations promulgated by the Department of Transportation.

(i) *Rates.* (1) An explicit statement of the rates, in cents or in dollars and cents, per 100 pounds, per ton, per car, or other unit, together with the names or designation of the places from and to which they apply, all arranged in a simple and systematic manner. Complicated plans or ambiguous terms must not be used.

(2) Insofar as possible such rates should be subdivided into small sections (by items, index numbers, or similar method) to each of which should be assigned an identifying number to facilitate reference thereto.

(3) If all rates in a tariff are stated in the same unit, that fact may be indicated on the title page immediately in connection with the application of the tariff. Tariffs containing rates per ton must state that rates apply per ton of 2,000 pounds or per ton of 2,240 pounds as the case may be. Where rates are stated in amounts per package definite specifications of the packages on which such rates apply must be shown or reference must be made to the ICC number of a publication containing such specifications.

(4) A tariff may provide rates from or to designated points by the addition or deduction of arbitraries or differentials, from or to rates shown therein from or to base points, but provision for the addition or deduction of arbitraries or differentials must be shown either in connection with the base rate or in a separate item which must specifically name the base point. (See § 1300.15.)

(5) A tariff also may contain through rates made by combination on a base point when the factors are subject to different minimum weights or other conditions which affect the measure of the charge, provided the base point is named, the factors are shown immediately in connection with each other, and the conditions to which each factor is subject are shown in connection with each factor, except that each factor may refer to the governing classification or exceptions for such conditions. When all the conditions governing the separate factors are the same, this method of publication must not be used.

(6) A tariff may provide rates via water or rail-and-water routes by the deduction of arbitraries or differentials from the all-rail rates from and to the same points published in the same tariff.

(7) Minimum weights governing the application of commodity rates must be specifically stated in immediate conjunction with such rates or shown in such manner as will avoid an extensive search therefor, except as provided in paragraph (i)(8) of this section, and excepting also that reference may be made to the appropriate rule of the governing classification or exceptions tariff for carload minimum weights graduated according to the length or capacity of the car or for carload minimum weights on shipments in tank cars. Minimum weights for mixed carload shipments may be provided for in rules authorizing such mixtures.

(8) An item of a commodity tariff may provide rates on a group of related articles by means of a generic description and without naming the individual articles, provided such item refers to another item of the same tariff or to another tariff (as authorized by §§ 1300.6(a) and 1300.10) which contains under an identical generic description a complete list of the articles included; for example, "Iron and steel articles as described under that heading in Item ——— of ——— (Tariff) ICC No. ———." Where cross reference is made to a list of commodities on which rates apply (as authorized in the preceding sentence), the minimum weight (or weights) governing the application of the rates may be omitted from the commodity-rate item and published with the list of commodities to which reference is made, provided the commodity-rate item specifically states that the minimum weight (or weights) will be found in the list of commodities referred to.

(9) If a carrier (not an agent) publishes, either for itself or jointly with other carriers, a tariff containing only commodity rates on a single commodity or a group of related commodities, it must include therein all commodity rates which it (not an agent) publishes on the same article or articles from the same points of origin to the same destination area. If additional commodity rates, local or joint, are published for it by an agent on the same article or articles from any of the same points of origin to other points in the same destination area, the individually-published commodity tariff must so state and make reference to the agency tariff in which the additional rates are published.

(10) A general commodity tariff or a combined class and commodity tariff shall contain reference to other tariffs in which rates on other commodities are published from any point of origin to any point of destination named therein via the same route. Such reference shall include the ICC number or numbers of such other tariff or tariffs with a brief description of the character of traffic and territory or points of origin and of destination and may be shown in the index, or in alphabetical order in the rate tables, or in a separate list arranged alphabetically by commodities, such list to be specifically referred to in the table of contents. For example, "Staves, from ——— to ———, ——— ICC No. ———." Carriers' tariff numbers may also be shown. The publication of class or commodity

rates which duplicate or conflict with the rates published in some other tariff via the same route is not permissible and except as otherwise authorized in §§ 1300.7, 1300.10(g) and 1300.27, the publication of a statement in a tariff to the effect that the rates published therein take precedence over the rates published in some other tariff, or that the rates published in some other tariff take precedence over the rates published therein, is hereby prohibited.

(j) *State grouping.* (1) A tariff naming rates from origins in not less than 20 States or to destinations in not less than 20 States may provide the same rates (i) from or to all points in a State or Territory located on the lines of the carriers parties to the tariff, or (ii) from or to all points (except points named) in a State or Territory located on the lines of the carriers parties to the tariff without naming such points in the tariff, provided reference is made by ICC number to a separate publication (not another rate tariff) such as authorized in § 1300.10(i) or § 1300.15, containing a list of stations arranged in geographical order with an index, or in alphabetical order, which list shall include all the points in the State or Territory, together with the State and railroad location of each.

(2) Neither of the above plans may be used unless the carriers parties to the tariff reach at least 90 percent of the steam-railroad freight stations in the State or Territory. When the plan set forth in (2) is used, the list of points excepted must be shown in alphabetical order and may not exceed one-fourth of the number of points in the State or Territory on the lines of the carriers parties to the tariff.

EXAMPLE: A tariff may state that it applies from all points in New York on the lines of the carriers parties to the tariff, from all points in Delaware on the lines of the carriers parties to the tariff, except (here give alphabetical list of excepted points), and from the following points in Ohio (here give alphabetical list of such Ohio points). (See § 1300.4(d).)

(3) When origin points in a tariff are provided in accordance with this section, intermediate application rules as authorized in § 1300.27 may not be made applicable in connection with such origins; and when destinations are so provided, an intermediate rule may not be used in connection with such destinations.

(k) *Routing.* (1) Routing over which the rates apply, stated in such manner that such routes may be definitely ascertained.

This must be accomplished by one of the following plans: (i) By providing that the rates in the tariff apply only via the routes specifically shown therein, or (ii) by providing that the rates apply via all routes made by use of the lines of the carriers parties to the tariff except as otherwise specifically provided in the tariff.

When it is desired to follow the plan listed in paragraph (k)(1)(i) of this section and provide complete routing for all rates shown in the tariff, the following notation must be shown in the tariff under the heading "Routing instructions":

The rates herein apply only via the routes specified on pages (or in items —).

When it is desired to use the plan listed in paragraph (k)(1)(ii) of this section and provide complete routing for some but not all of the rates in the tariff, or incomplete routing for all of the rates, the following notation must be included in the tariff under the heading "Routing Instructions":

The rates herein apply via all routes made by use of the lines of any of the carriers parties to this tariff, except as otherwise specifically provided on pages —, in individual rate items, or in connection with individual rates.

The exceptions referred to in the notation shown next preceding may be provided either by showing affirmative routing, viz, a statement of routes (for one or more carriers, for all or a part of the route) together with a definite statement that the rates apply between such points and for account of such carrier or carriers only via the route or routes specified; and/or by showing negative routing, viz, a statement of routes (for one or more carriers, for all or a part of the route) via which the rates do not apply.

NOTE: This section does not authorize departures from the long-and-short-haul provisions of the fourth section of the act

In lieu of showing in rate tariffs the affirmative routes provided in the plans listed in paragraphs (k)(1)(i) and/or (ii) of this section such affirmative routes may be published in a separate publication (or publications) filed either by a carrier or by an agent, and specific ICC reference must be made in the rate tariff to such guide. Such a separate publication will hereinafter be designated as a "Routing guide," and may be used only in accordance with the provisions of paragraphs (k)(2)-(5) of this section.

(2) When in a tariff containing joint rates it is desired to refer to a routing guide or guides for all of the routes, the following notation shall be used:

> The rates herein apply only via the routes of the carriers parties to this tariff specified in ——— ICC No. ——, supplements thereto or successive issues thereof.

When in a tariff containing local rates it is desired to refer to a routing guide for all of the routes, an appropriate modification of the notation shown next above shall be used.

When it is desired to refer to a routing guide or guides for routes in connection with some but not all of the rates in a tariff, or for routes for account of some but not all of the carriers parties to the tariff, an appropriate notation in lieu of those above set forth shall be used. When it is desired to provide that certain rates published in a tariff will not apply via all the routes shown in a routing guide to which the rate tariff is made subject, the rate tariff must show clearly what routes in the routing guide are not applicable, or are the only routes applicable, in connection with such rates. When a tariff which refers to a routing guide also shows routes, it must show clearly whether the routes named therein are in addition to the routes shown in the routing guide or are the only routes via which the rates will apply. No one rate may be made subject to more than one routing guide for account of any initial carrier except that (i) a subsidiary or small carrier which connects with two or more parent or connecting carriers may authorize each of such parent or connecting carriers to publish its routes via each of such carriers and its joint rates may be made subject to the routing guides of each of such carriers for routes via which rates apply via their respective lines; (ii) interterritorial rates from one of the major rate traffic territories (New England, trunk line, central, southern, western trunk line, and southwestern territories, and all of western territory not embraced in southwestern or western trunk line territories), to another of such territories, may be made subject to one guide for each of such territories in which it applies; and (iii) where complete through routes are shown in connection with joint rates (either in the rate tariff or in a routing guide or guides to which it is subject), such rates may be made subject to the separate routing guides of any of the carriers parties thereto for internal routing over their respective lines. An interterritorial or intraterritorial routing guide may contain reference to the ICC numbers of the tariffs of carriers parties thereto containing internal routing. When this is done, joint tariffs of rates which are subject to such interterritorial or intraterritorial guides may refer to such interterritorial or intraterritorial guides for internal routing over the lines of the carriers parties to the joint rates.

(3) A routing guide must contain three sections, (i) an alphabetical list of all of the points from and to which routes are provided, with the railroad location of each point which is served by more than one carrier, together with an index number for each of such points, (ii) a table containing the points from which routes apply, the points to which routes apply (or between which routes apply), and the numbers of the routes provided from and to (or between) such points, and (iii) a table containing all the route numbers in numerical order with a full statement of the route opposite each of such numbers.

In paragraph (k)(3)(ii) of this section the points from, and the points to (or the points between), which routes are provided must be arranged in geographical order. The names of such points must be shown in paragraph (k)(3)(ii) of this section unless a geographical list of stations is included in paragraph (k)(3)(i) of this section as part B thereof, or reference is made to the ICC number of a separate publication filed in accordance with §§ 1300.10(i) or 1300.15 which contains such geographical list of stations with corresponding station numbers, in which case only the index numbers need be shown in paragraph (k)(3)(ii) of this section.

A routing guide must be concurred in by all carriers over whose lines routes are provided therein. Such guides must not contain exceptions to the routes provided therein. All exceptions thereto, if any, must be published in the tariffs making reference thereto.

(4) Routing guides must show on their title pages the following notation:

> The routes provided herein may be used only in connection with rates made subject thereto by specific ICC reference to this guide in the tariffs containing such rates. Its use in connection with any tariff is restricted to the carriers and to the application provided in such tariff.

(5) If desired, the following tariff provision may be incorporated under the heading "Routing instructions" in rate tariffs:

> The rates named in this tariff will apply only via the routes and junction points authorized herein except that when in the case of pronounced traffic congestion (not an embargo), washout, wreck, or other similar emergency, or through carriers' error, carriers forward shipments via other junction points of the same carriers or via the lines of other carriers parties to the tariff, the rate to apply will be that specified in this tariff but not higher than the rate applicable via the route of movement.
>
> NOTE: If desired, the words "or via the lines of other carriers parties to the tariff" may be omitted from the emergency routing clause.

The above clause may not be shown in routing guides. Its publication in a rate tariff does not relieve carriers from the requirements of the fourth section of the act via the route used.

(l) [Reserved]

(m) *Explanation of abbreviations and reference marks.* (1) At the end of each tariff, except loose-leaf tariffs, there shall appear an Explanation of Abbreviations, followed by an Explanation of Reference Marks. Under the Explanation of Abbreviations shall appear an explanation of all abbreviations used in the tariff, except that commonly used abbreviations of State names may be omitted, and except further that the abbreviations of the names of participating carriers may be explained in the list of such carriers, provided a statement to that effect is included under the Explanation of Abbreviations.

(2) Under the Explanation of Reference Marks shall appear an explanation of all reference marks used in the tariff except reference marks used only once or a few times, which shall be explained on the page or pages of the tariff on which they appear.

(3) The following reference marks shall be used, and shall only be used, for the purposes indicated:

↓ to denote reductions.
♦ to denote increases.
▲ to denote changes in wording which result in neither increases nor reductions in charges.
● to denote no change in rate. (See § 1300.2(a).)
• to denote prepay stations or points.
+ to denote intrastate application only.
□ to denote reissued matter. (See § 1300.9(d).)

(4) At the end of each supplement there shall likewise appear an Explanation of Abbreviations followed by an Explanation of Reference Marks. Under those headings shall be shown, subject to the exceptions stated in the preceding paragraphs of this section, an explanation of all abbreviations appearing in the supplement which were not explained in the original tariff (if explained in a prior supplement, the explanation shall be repeated); and an explanation of all reference marks appearing in the supplement.

(5) In loose-leaf tariffs an Explanation of Abbreviations followed by an Explanation of Reference Marks as provided for in this rule may be shown immediately following the index of stations.

[32 FR 20510, Dec. 20, 1967, as amended at 38 FR 21932, Aug. 14, 1973]

§ 1300.5 Proportional rates.

Tariffs containing proportional rates must clearly and definitely show the application thereof. If the application is not restricted, such proportional rates will be useable in connection with any other applicable rates from or to the proportional rate point. It will not be permissible for a tariff to state that a proportional rate applies from (or to) points from (or to) which no through rates are published. Such a provision is not sufficiently definite to restrict the application of the rate. If a proportional rate is intended for use on traffic destined to a restricted territory such territory should be clearly defined. For example, a tariff naming a proportional rate to St. Louis intended for use on traffic destined to Kansas should state that the rates apply on traffic destined to Kansas only.

§ 1300.6 Commodity-list tariffs.

(a) A rate tariff may not refer to another rate tariff for a list of commodities on which rates apply. A separate tariff not containing rates may be filed either by a carrier or by an agent, showing under appropriate generic headings lists of commodities which are accorded common treatment for rate or other tariff purposes; and rate and other tariffs (including tariffs of classification exceptions, but not classifications) may be made subject thereto. When any commodity list consists of less than 20 articles it may not be published in a commodity-list tariff and must be published in the tariff naming the related rates or ratings. The commodities in each list shall be alphabetically arranged. Such tariffs shall be known as general commodity-list tariffs. No carrier or agent may maintain in effect at any time more than one such publication.

(b) In addition to one such general commodity-list tariff, a carrier or agent may file for the same purpose separate tariffs, each containing under an appropriate generic heading a single list of commodities (not less than 20, alphabetically arranged). Such publications shall be known as specific commodity-list tariffs. Rate and other tariffs, including tariffs of classification exceptions, but not classifications, may be made subject thereto.

(c) The title page of the tariffs authorized in this section shall contain the following: (1) In the case of the general commodity-list tariff, in large type the words "List of commodities upon which rates or other provisions affecting charges are published in tariffs making reference hereto"; and in the case of specific commodity-list tariffs, in large type the words "List of (here insert the generic description of the commodities listed in the tariffs, such as 'Iron and Steel Articles') upon which rates or other provisions affecting charges are published in tariffs making reference hereto;" and (2) in smaller type "This tariff is applicable only in connection with tariffs specifically made subject hereto." Rate or other tariffs governed by a commodity-list tariff shall, to the extent they are so governed, employ the same generic descriptions or headings as the commodity-list tariff, followed in each case by the words "as shown in Item ——— of ——— ICC No. ———," or language equally definite. Commodity-list tariffs shall contain no other matter than that authorized in this section, except that they may contain minimum weights as authorized by § 1300.4(i) and except further that a specific commodity-list tariff may also contain rules applicable in connection therewith.

(d) All carriers that are parties to a tariff making reference to a general or specific commodity-list tariff must also be parties to the tariff so referred to.

(e) Where a tariff contains commodity rates on a given article (termed in this paragraph the basic article) rates may be provided in the same tariff on one or more related articles either (1) by a statement that the rates for the related articles will be specified amounts more or less than the rates for the basic article between the same points, or (2) by a table showing in adjoining columns what the rate for the related articles will be when the rate for the basic article is a specified amount.

(f) When commodity rates are established, the description of the commodity must be specific and the rates thereon must not be applied to analogous articles. As far as possible, uniform commodity descriptions should be used in all tariffs.

§ 1300.7 Alternating rates.

(a) *Alternative rates or ratings subject to different minimum weight or quantity limitations.* (1) Where it is desired to provide for the alternating application of rates or ratings subject to different minimum weight or quantity limitations otherwise than as authorized in paragraph (b) or (c) of this section, the following procedures must be observed:

(i) Alternating commodity rates must be published together, that is, in the same item or on the same page of the tariff.

(ii) Alternating ratings must be published in the same item of the tariff.

(iii) There must be published in the same tariff a note or rule plainly stating, in substance, that where rates or ratings are so published the applicable rate on any given shipment will be that which, subject to the minimum attached thereto, produces the lowest charge.

(2) Commodity rates may be established on different articles for shipment in mixed carloads and will be the applicable rates for such mixtures. Minimum carload weights should be specified, together with a statement in connection with the commodity description that the rates apply when shipped in mixed carloads. Such rates may also be made applicable upon straight carloads of one or more or all of the articles by provision to that effect in connection with the commodity description. When more than one article is included in an item or commodity description the tariff must specifically state whether or not the rates apply on straight or mixed carloads or both.

(b) *Alternative use of rates in sectional tariffs.* (1) Except as authorized or required by paragraphs (a) and (c) of this section, alternation of rates may be provided by publishing such rates in different sections of a single tariff in the manner herein prescribed. When alternating rates are so provided, carriers and publishing agents shall, at frequent intervals, carefully check the rates in one section against those in other sections and make proper cancellations to avoid unnecessary alternation of rates. Alternating reference obviously should not be given to another section unless that section contains rates which in fact alternate.

(2) The first page of each section, which shall be known as the title page of the section, shall contain the number of the section and, if desired, the application of the rates published in that section. Each succeeding page of the section shall also bear the section number. The title page of each section containing alternating rates (not the non-alternating section hereinafter referred to) shall also contain the following notation:

> If the charge accruing on a given shipment under section —— or —— of this tariff is lower than that accruing under this section, the charge accruing under section —— or ——, whichever is lower, will apply.

(3) Where the purpose is to provide for application of the higher or highest of the alternating rates or charges, rather than the lower or lowest of such charges, the foregoing notation and other notations prescribed in this section shall be appropriately changed.

(4) Each commodity tariff or class and commodity tariff arranged in alternating sections shall also contain a section hereinafter referred to as the non-alternating section. That section shall contain only commodity rates which in all instances result in charges lower than would result from the application of the commodity rates (but not necessarily the class rates) in any other section. If the tariff contains only commodity rates, the non-alternating section shall be section 1; if the tariff contains both class and commodity rates, the class rates shall be published in a section or sections preceding the commodity sections and the non-alternating section shall be the first commodity section. The title page of the non-alternating section shall contain either of the two following notations, as appropriate:

> When rates are published in this section on a given shipment, such rates will apply to the exclusion of the rates in any other section.

or

> When rates are published in this section on a given shipment, such rates will apply

to the exclusion of the rates in any other commodity section; but if the charge accruing on the shipment under the class rates in section ——— is lower than that accruing under this section, the charge accruing under the class rates in section ——— will apply.

(5) The title page of each other commodity section of the tariff shall contain the following notation preceding that prescribed in paragraph (b)(2) of this section:

> When rates are published in section ——— (the non-alternating section) on a given shipment, such rates will apply to the exclusion of the rates in this section.

(6) The publication of alternating rates in different sections of a tariff is subject to the following restrictions: (i) that class rates in one section may alternate with class rates in only one other section, and that commodity rates in one section may alternate with commodity rates in not more than two other sections; (ii) that rates published in another tariff may not be reproduced for purposes of alternation: (iii) that one section of a tariff may not alternate with more than three other sections; and (iv) that alternating sections may not be subdivided and, except as authorized in paragraph (a)(1) of this section, a rate in one section may not be alternated with a rate in the same section.

(c) *Alternation of commodity rates in one tariff with class rates in another tariff.* (1) Provision for the alternation of the commodity rates in a tariff containing only commodity rates with class rates published in other tariffs may be made by including a notation in the following form in the commodity tariff amongst rules governing the application of rates:

> If by use of the class rates published in the following tariffs, the charge accruing on a given shipment is lower than that accruing under the commodity rates published in this tariff, such lower charge will apply: (here show the ICC numbers of the class-rate tariffs, together with so much of the territorial application of each class-rate tariff as lies within the territorial application of the commodity tariff).

(2) If a commodity tariff contains only a few rates which result in higher charges than would accrue under the class rates, the reference to the class tariffs prescribed in this section should be shown immediately in connection with such commodity rates or may be shown in a separate item under an appropriate heading and reference to such item shown immediately in connection with the commodity rates.

(3) Great care should be exercised in describing the scope of the class tariffs in order that users of the commodity tariff may determine without examining the class tariffs, which of such class tariffs is to be used in connection with any commodity rate. It also should be understood that the alternative application of commodity rates in one tariff with class rates in another tariff should be resorted to only where there is real necessity therefor and that wherever possible the commodity rates should be revised so that they will not exceed the class rates between the same points.

§ 1300.8 Transfer and cancellation of rates.

(a) *Transfer of rates from one tariff to another.* (1) If a tariff or supplement to a tariff or a revised page is issued which is to displace a part of another tariff which is in force at the time, and which tariff is not thereby canceled in full, it shall specifically state the portion of such other tariff or such other supplement which is thereby canceled, and such other tariff shall at the same time be correspondingly amended, effective on the same date, in the regular way; that is, by reissue if tariff is of four pages or less, by reissue or supplement if tariff is of more than four pages, and by revised pages if tariff is a loose-leaf tariff. (See paragraph (e) of this section and § 1300.9(e), (k).) Such reissue, supplement, or revised page must state where rates will thereafter be found and must be filed at the same time and in connection with the tariff or supplement which contains the new rates. Cancellation may be indicated substantially as follows: "cancels ——— ICC No. ———, to the extent shown in supplement No. ——— thereto."

(2) A tariff canceling more than one tariff in whole or in part must include a brief description of such tariffs. It will not be necessary to show on a

commodity tariff or supplement reference to class tariffs that may be affected, nor to show on a class tariff or supplement reference to a commodity tariff.

(3) If a tariff is canceled by the issuance of another tariff to take its place, cancellation notice must not be given by supplement, but by notice printed, in the new tariff, as provided in § 1300.3(b). (See § 1300.2(b).)

(4) Cancellation of a tariff also cancels supplements to such tariff, if any in effect.

(b) *Transfer of rates from carriers' to agents' tariff and from agents' to carriers' tariff.* (1) An agent who acts under authority of power of attorney is fully authorized to act for the principals that have named him their agent and attorney, and therefore, when an agent publishes rates in his tariffs which are to displace the rates in his principals' tariff, the agent must cancel the rates in his principals' tariffs as per paragraph (a) of this section.

(2) A carrier must not publish in its individual tariff rates which are to displace the rates published in a tariff of a duly authorized agent unless the tariff is accompanied by a supplement issued by the agent canceling the rates in his tariff effective on the same date, as per paragraph (a) of this section.

(c) *Concurrence does not confer authority to cancel.* A concurrence does not confer authority upon a carrier to cancel tariffs of the concurring carrier, and tariffs issued under concurrence must not assume to do so. Such cancellations must be made by the carrier which issued the tariff that is to be canceled.

(d) *Cancellation notice must be by supplement.* If a tariff is canceled with the purpose of canceling entirely the rates named therein, or when, through error or omission, a later issue failed to cancel the previous issue and such tariff is canceled for the purpose of perfecting the records, the cancellation notice must not be given a new ICC number, but must be issued as a supplement to the tariff (including loose-leaf tariffs) which it cancels. In the issuance of such supplement the provisions of § 1300.9(e) need not be observed.

(e) *Notice to specify where rates can be found.* When a tariff is canceled in whole or in part by a supplement thereto, the supplement must show where the rates will thereafter be found or what rates will thereafter apply. When a tariff is canceled by another tariff which does not contain all of the rates shown in the tariff to be canceled the canceling tariff must show where rates not shown therein will thereafter be found, or what rates will thereafter apply. For example: "Rates in ——— ICC No. ——— will apply," or "Class rates will apply," or "Combination rates will apply." (See § 1300.2(b).)

(f) *Cancellation by item numbers.* (1) When portions of a tariff (excepting a tariff in loose-leaf form), or of a supplement to a tariff, are designated as items, they must be given numbers and the cancellation of an item by supplement must be made by bringing forward the item number with a capital letter suffix in alphabetical sequence. For example, if Item 445 is to be canceled, it shall be done by one of the following methods:

State the numbers of both the canceling and the canceled item. For example: "Item 445-A cancels Item 445."

or

Bring forward the item number with letter suffix; for example: "Item 445-A", "Item 445-B". When cancellation under this method is used the following provision is to be published in the general rules section of the tariff proper:

METHOD OF CANCELING ITEMS

As this tariff is supplemented numbered items with letter suffixes cancel correspondingly numbered items in the original tariff or in a prior supplement. Letter suffixes will be used in alphabetical sequence starting with A. Example: Item 445-A cancels Item 445, and Item 365-B cancels Item 365-A in a prior supplement, which in turn canceled Item 365.

(2) When special circumstances require, appropriate variations of the above methods may be used. For example, if an item is to be republished on the same or an earlier effective date, the following may be used: "Item 40-B cancels Item 40-A and 40."

(3) When due to suspension or other circumstances, a portion of an item is

to be canceled or items cannot be canceled in consecutive sequence, the following may be used: "Item 40-B cancels Item 40-A except portions under suspension." or "Item 40-B cancels Item 40-A and completes the cancellation of Item 40."

(4) If an item or any part thereof is transferred to another item of different number in the same tariff, the cancellation must be carried under the original item number and must show in what item or items the effective rates are to be found.

(5) If an item is withdrawn in its entirety, leaving no rates or provisions in effect in that item, the cancellation must be brought forward in subsequent supplements as a reissued item.

(6) If an item in a supplement expires by its own terms, and that supplement is canceled by a subsequent supplement, the item, or more accurately, the item number, must be brought forward in the new supplement, together with a statement reading, "Expired with ——— (date), in Supplement ———."

(7) An item once lawfully eliminated by cancellation or expiration may not be reinstated except by republication under a new effective date. Such republication must be under the same item number and must be given the next letter suffix. For example: If the canceling item is 445-B then the newly published item should be numbered 445-C.

(8) When withdrawing a rule or item designated by an item number the canceled matter need not be reproduced in connection with the item effecting the cancellation except to the extent necessary to identify the item.

§ 1300.9 Amendments and supplements.

(a) *Amendment procedure.* (1) A change in or addition to a tariff shall be known as an amendment, and, excepting amendments to tariffs of less than five pages and amendments to tariffs in loose-leaf form, shall be published in a supplement to the tariff. When an amendment is made in a numbered item or other unit, such item or other unit must be published in a supplement in its entirety as amended, except that additions, changes, or eliminations in a numbered item or other unit consisting of a list of commodities or a list of stations comprising 10 lines or more (measured along the left margin), may be made without publishing such items or units as amended in their entirety, provided that only one such partial amendment of any such item or unit may be in effect at any one time. When rates are published in numbered items, cancellation shall be made as prescribed in § 1300.8(f). When rates are published in numbered units other than item numbers, supplements effecting such change must specifically provide for cancellation of previously effective matter by reference to the number of the unit it cancels. When such a change is made in matter published in a supplement in a numbered unit other than an item, the new supplement must also give reference by number to the previous supplement. In those instances where matter is not published in numbered units, the changed provision must be published in the supplement in its entirety and reference must be made to the page or pages of the tariff on which the matter to be canceled is shown. If such matter has been canceled by a previous supplement, specific cancellation must be made of the corresponding matter in the "tariff as amended" and specific reference shall be made by number to page or pages of the previous supplement containing the matter to be changed, and to the page or pages of the original tariff formerly containing such matter corresponding thereto.

(2) The matter contained in each supplement shall be arranged in the same general manner and order as in the tariff which it amends and when stations in a tariff are given index numbers the same index number must be assigned to the same station in all supplements to the tariff.

(b) *Cancellation of rates when participating carrier is eliminated.* When a participating carrier is eliminated by supplement or by a revised page of a loose-leaf tariff, the tariff must be amended on the same effective date to provide for the cancellation of rates and other provisions in connection with that carrier. This may be done either by appropriate amendment of the individual items or provisions, or by a notation immediately following the statement that the carrier has been eliminated, reading:

> This has the effect of canceling all rates and other provisions published in connection with this carrier in this tariff.

(1) When the notation method is used in a supplement the notation must be brought forward as reissued matter, together with reference to the supplement in which the change first appeared.

(2) When the notation method is used in loose-leaf tariffs, subsequent revised pages containing the list of participating carriers must bear reference to such elimination so long as the name of the eliminated carrier appears elsewhere in the tariff, the reference to be shown in the following manner:

> ---
> (Show name of carrier here)
> eliminated as a participating carrier in this tariff and all rates and other provisions published in connection with that carrier canceled effective ———. See ——— Revised Page ———.

(c) *Supplement number and cancellations.* Supplements to a tariff shall be numbered consecutively. Each supplement shall specify on its title page the supplement or supplements or tariff or tariffs which it cancels, and shall also show what supplements contain actual changes from the rates, rules, or regulations in the original tariff. Supplements filed under the authority of paragraphs (i), (j), (k), (m) of this section, and § 1300.12(d), and blanket or special supplements that do not change rates, rules or regulations, must be shown separately and the nature of each such supplement must be clearly indicated.

(d) *Effective date; reissued matter.* (1) Every publication which contains rates, rules, or regulations effective upon a date different from the general effective date of such publication must show on its title page the following notation:

> "Effective ———, 19—, (except as otherwise provided herein)" or "except as provided in Item —)" or "(except as provided on page —)."

(2) Every publication which consists partly but not wholly of matter established upon less than statutory notice shall show in connection with each change made effective on less than statutory notice a notation that such matter is issued on ——— days' notice under authority of ———, (here give specific reference to the special permission, decision, order, rule, or other authority).

(3) Matter brought forward without change from a tariff which has not been in effect 30 days, also matter brought forward without change from one supplement to another, must be designated "Reissued" in distinctive type and, except as authorized in § 1300.10(i), must show the original effective date and the number of the supplement or tariff from which it is reissued; or must be uniformly indicated by the letter T in a square when reissued from another tariff or from a supplement to another tariff and by numerals commencing with 1 in squares when reissued from a prior supplement to the same tariff, printed in distinctive type and shown in a conspicuous manner, and the explanation thereof must be made in the tariff or supplement in which the symbols are used. Examples: "1 Reissued from ICC No. ———, or (Supplement No. ——— to ICC No. ———), effective (date upon which item became effective in former tariff or supplement to another tariff ———, 19—"; "1 Reissued from Supplement No. 1, effective ———, 19—," and so on numerically, the figures of the symbols always representing the number of the supplement to the same tariff from which the reissued item is brought forward. If items in a tariff or supplement are made effective on dates other than the general effective date shown on the title page, reissue of such items may be indicated in later publications by showing a letter suffix or other symbol in connection with, and as a part of, the letter T or the numerals in squares as authorized in this paragraph. When the reissued item became effective in a supplement to another tariff, the ICC number of that tariff must also be given.

(4) The letter T in a square and numerals commencing with 1 in a square shall not be used as reference marks

or symbols for any other purpose in any tariff or supplement.

(e) *Amount of supplemental matter; loose-leaf tariffs.* (1) Except as authorized in §§ 1300.8(d), paragraphs (i), (j), (k), (m) of this section, 1300.11 and 1300.12(d), the following is the maximum number of effective supplements permitted to any tariff:

4 pages or less—No supplements.
5 to 16 pages, inclusive—1 supplement.
17 to 80 pages, inclusive—2 supplements.
81 to 200 pages, inclusive—3 supplements.
201 pages or more—4 supplements.

In addition to the above, tariffs of 17 pages or more may have one additional supplement not exceeding 4 pages.

(2) Except as authorized in §§ 1300.8(d), paragraphs (f), (h), (i), (j), (k), (m) of this section, 1300.11 and 1300.12(d), tariffs having 5 or more pages may have supplemental matter aggregating not more than 50 percent of the total number of pages in the tariff, except that if the number of pages in the supplement which brings the volume up to that authorized by this rule is not evenly divisible by 4, it may exceed the volume authorized to the extent necessary to bring the number of pages of such supplement to the next multiple of 4. The concluding page or pages of supplements on which appear only explanations of abbreviations and reference marks shall not be counted in applying this paragraph.

(3) The provisions of paragraphs (a), (b) of this section will also apply to tariffs filed prior to October 1, 1928.

(4) Pages of loose-leaf tariffs shall be printed on thin paper of strong texture, on one side only, and must be consecutively numbered and designated as "Original page 1," "Original page 2," etc. Each page must show at the top of the page the name of the issuing carrier, or of the issuing agent (identified as "Agent"). If the issuing agent is a corporation or association, there shall also be shown the full name of the bureau, committee or regional association, if any, under whose auspices the schedule is compiled and filed. It shall also show the page number and the ICC number of the tariff. At the bottom of the page shall be shown the date of issue, the effective date, and the name, title, and mail address of the individual actually responsible for compiling and filing the schedule. If the tariff is issued by an individual agent, his name must be shown with the title of "Agent." If issued by a corporation or association as agent, the name and title of the person responsible for the actual compilation and filing must be shown.

(5) Changes in and additions to loose-leaf tariffs shall be made by reprinting the page upon which change or addition is made, and such changed page shall be designated as a revised page. For example, "First revised page 1 cancels original page 1," or "Second revised page 2 cancels first revised page 2," etc. When a revised title-page is issued the following notation shall be shown in connection with its effective date:

Original tariff effective ————————
(here show effective date of the original tariff).

(6) If on account of expansion of matter on any page it becomes necessary to add an additional page in order to take care of the additional matter, such additional page shall be given the same number with a letter suffix; for example "Original page 4-A," "Original page 4-B," etc. If it is necessary to change matter on original page 4-A it may be done by issuing first revised page 4-A, which shall provide for the cancellation of original page 4-A.

(7) When a revised page is issued which omits rates, rules, or regulations theretofore published on the page which it cancels, and such rates, rules, or regulations are published on another page, the revised page must make specific reference to the page on which the rates, rules, or regulations will be found, and the page to which reference is so made must contain the following notation in connection with such rates, rules, regulations, etc.:

For————————————————
(here insert rates, rules, regulations, etc., as case may be) in effect prior to the effective date hereof see page —.

Subsequently revised pages of the same number must omit this notation insofar as this particular matter is concerned.

(8) If after a tariff has been filed with the Commission it is desired to

file additional pages, such pages may be subsequently filed to the tariff and numbered beginning with the next successive page number to the last page of the tariff, and must be designated as "Original page —." For example, when the tariff filed has 150 pages, page 151 when filed must not be designated as an "Additional" page but should be designated as "Original page 151." Such a page can be filed only for the purpose of adding new matter which does not change the rates, rules, or regulations then in force on other pages of the tariff.

(9) The page of every loose-leaf tariff next to the title page shall be designated as "Original page 1" and shall be known as a "check sheet." When the original tariff is filed the check sheet must show the number of pages contained in the tariff. For example, "Pages 1 to 150, inclusive, of this tariff are effective as of the date shown." When new pages numbered 151, 152, etc., are added, the above notation must be correspondingly revised to include the added pages. When pages are revised, when new pages (including pages with letter suffix) are added to the tariff, or when supplements are issued the check sheet must be revised accordingly and, in addition to the above notation, shall show under the heading "Original and revised pages as named below and supplement No. —— contain all changes from the original tariff that are in effect on the date hereof" in numerical order a list of all original pages that have been added to the tariff and the pages which have been revised, including the revision number. For example:

Page	*Number of revision except as indicated*
3	5th
5A	Orig.
10	8th
151	Orig.

(10) Revised check sheets listing the added or revised pages must accompany such pages when forwarded to the Commission for filing.

(11) Changes shall be indicated as required by § 1300.2(a). Items which have been in effect 30 days or more need not be shown as reissued items on revised pages but may be republished as effective on 30 days' notice. Items which have not been in effect 30 days when brought forward on revised page must be shown as reissued in the manner prescribed in paragraph (d) of this section.

(12) When protective covers for loose-leaf tariffs are used, only such information should appear thereon as will remain constant and in use during the life of the tariffs.

(13) Supplements shall not be issued to loose-leaf tariffs, except for the purposes authorized by paragraphs (i), (j), and (k) of this section, and § 1300.12(d). When all changes made by a supplement to a loose-leaf tariff have been incorporated in the tariff proper by revision of the appropriate pages, the supplement shall be canceled. Such cancellation must be made by the reissue of the check sheet page (page 1) and by adding in the upper right-hand corner immediately following the words "cancels revised page 1" the words "also cancels Supplement No. ———."

(f) *Periodical tariffs.* A tariff may provide that it will be reissued periodically, but not less frequently than once a year. Such tariff must carry on its title page the notation:

> A reissue of this tariff will become effective not later than ———, 19—.

Supplements may be issued to such tariffs without limit as to volume.

(g) *Index to supplement.* (1) A supplement of 5 or more pages must have an index of the matter which it contains, and a supplement of more than 23 pages must also contain a table of contents. In view of the provision of § 1300.8(f) which requires that cancellation of a numbered item must be made under the same item number in a supplement as that given to that item in the tariff, and the requirement of paragraph (a) of this section which provides that the index number assigned to a station in a supplement must be the number assigned to that station in the tariff, the table of contents and indexes in a supplement of five or more pages need not contain therein entries which are shown in the table of contents or indexes in the tariff: *Provided,* That in connection with the index of points of origin (or destination) the following notation shall be shown:

> The index numbers of stations in this supplement correspond with the index numbers of the same stations shown on pages — to —, inclusive, of the tariff, with the following additions and exceptions.

(2) The table of contents and indexes in such a supplement may be omitted if § 1300.4 does not require the tariff, to which the supplement is issued, to contain a table of contents and indexes.

(h) *Supplement to tariff filed not yet effective.* (1) If a tariff is filed on statutory notice canceling another tariff and after such filing a supplement to the tariff to be so canceled should be issued effective prior to the general effective date of such new tariff, rates in such supplement could not continue in effect for the 30 days required by law because the cancellation of the former tariff also cancels supplements to it. In such a case, and confined to additions or to changes in rates or provisions which were brought forward in the new tariff without change, the provisions of paragraph (e) of this section need not be observed as to the old tariff, and a supplement making the same changes in or additions to both tariffs may be issued as supplements both to the tariff in effect and to the tariff which will effect such cancellation, and be given both ICC numbers. In other words, such issue must be a supplement both to the old and the new tariffs and copies must be posted and filed accordingly. Only one such supplement may be in effect at any time.

(2) Rates or provisions which have been established in an old tariff and reproduced or reissued in a new tariff may be changed upon lawful notice by supplement to the new tariff, effective not earlier than the general effective date of the new tariff, by showing in the following manner in connection with the changed rates or provisions that the rates or provisions changed thereby have been in effect 30 days or more, in the former issue. Example: "Item 40-A cancels item 40. Item 40 effective ———, brought forward without change from Item No. ——— of ICC No. ——— (former issue)." New rates or provisions which do not change rates or provisions in either the old or new tariff may be established upon lawful notice by supplement to the new tariff, effective not earlier than the general effective date of the new tariff, by showing in the following manner, in connection with the new rates or provisions that the rates or provisions previously applicable have been in effect 30 days or more in a former issue. Example: "Addition. Changes class rates which became effective ——— in ICC No. ———." Unless the provisions of this paragraph are complied with no supplement to a tariff that is on file and not yet effective may be made effective within 30 days from the effective date of the tariff without special permission.

This section does not waive the requirements of §§ 1300.14, 1300.54.

CROSS REFERENCE: For additional procedure of statutory notice in filing tariffs, see § 1300.13.

(i) *Complete adoption notice.* (1) When the name of a carrier is changed, or when its operating control is transferred to another company the carrier which will thereafter operate the properties shall file and post an adoption notice, numbered in its ICC series, reading as follows:

> The ——— (corporate name of adopting carrier) hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all freight tariffs, classifications, rules, notices, concurrences, traffic agreements, divisions, authorities, powers of attorney, or other instruments whatsoever, including supplements or amendments thereto, filed with the Interstate Commerce Commission by or heretofore adopted by, the ——— (corporate name of old company) prior to ——— (date).

(2) In addition to the above adoption notice the new carrier shall immediately file a consecutively numbered supplement to each of the tariffs covered by the adoption notice, reading as follows:

> Effective ——— (here insert date shown in the adoption notice) this tariff, or as amended, became the tariff of the ——————— (corporate name of new carrier) as per its adoption notice ICC No. ———.

(3) Such supplements issued under authority of this section must contain no other matter, must bear reference to this section and may be issued without regard to the provisions of paragraph (e) of this section.

(4) Succeeding supplements to such tariffs filed by the adopting carrier must be numbered consecutively following the number of the adoption supplement. New tariffs reissuing or succeeding such tariffs shall be numbered in the ICC series of the adopting carrier. When adopted tariffs are canceled by new tariffs of the adopting carrier, the cancellation reference must describe the canceled tariff by using the name or initials of the former issuing carrier.

(5) Tariffs issued by other carriers or agents in which the line absorbed, taken over, operated by another carrier, or whose name is changed, is named as a participating carrier, shall be amended on statutory notice, to eliminate the name of the old carrier and to show the name of the new carrier by the first subsequent supplement. Such supplement shall also contain the following provision:

> The ——— (corporate name of adopting carrier) by its adoption notice ICC No. ——— having taken over tariffs, etc., of the ——— (corporate name of old carrier) the ——— (corporate name of adopting carrier) is hereby substituted for the ——— (corporate name of old carrier) wherever it appears in this tariff.

(6) A similar adoption notice must immediately be filed by a receiver when he assumes possession and control of a carrier's lines. If the adoption notice bears an ICC number (not standard ICC designation), it must be consecutively numbered in the ICC series of the adopted carrier. If the adoption notice bears a standard ICC designation (not ICC number), it must be designated in the ICC numbering system of the adopted carrier. When the receivership is terminated, the carrier taking over the properties shall file an adoption notice and shall also file supplements as hereinabove prescribed if a change in the name of the carrier has been made.

(7) Notices of adoption should be filed with the Commission immediately, and if possible, on or before the date shown therein. Copies must be sent to each agent or carrier to which power of attorney or concurrence has been given. The notice must refer to this section and its effective date must be the date (as shown in body of notice) on which the change in name or operation occurs. If prior approval of such change is necessary, reference must also be made to the order of the Commission.

(8) Concurrences and powers of attorney adopted by a carrier or a receiver must within 120 days be replaced and superseded by new concurrences and powers of attorney issued by and numbered in the series of the new carrier or receiver except that if desired the receiver may number concurrences and powers of attorney in the old series. The cancellation reference to the former concurrence or power of attorney must include name or initials of the former issuing carrier. Concurrences and powers of attorney which will not be replaced by new issues must be regularly revoked on the notice and in the manner prescribed in § 1300.26(b).

(9) If a carrier ceases operation without having a successor, its tariffs, concurrences, and powers of attorney must be regularly canceled on statutory notice, unless otherwise specifically provided by order of the Commission and when canceled on less than statutory notice the cancellation notice must show that cancellation is made on account of discontinuance of operation and must refer to the authority of the Commission permitting such discontinuance.

CROSS REFERENCE: For provisions concerning powers of attorney and concurrences, see §§ 1300.18 to 1300.26, inclusive.

(j) *Partial adoption notice.* (1) When the operating control of only a part of a carrier's properties is transferred to another company, the carrier which will thereafter operate the properties shall file and post an adoption notice, numbered in its ICC series, reading as follows:

> The ——— (corporate name of adopting carrier) hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all freight tariffs, classifications, rules, notices,

> concurrences, traffic agreements, divisions, authorities, powers of attorney, or other instruments whatsoever, including supplements or amendments thereto, filed with the Interstate Commerce Commission by the ——— (corporate name of old carrier) prior to ——— (date) in so far as said instruments apply from, to, at, or via the following stations ——— (naming them).

(2) If, on the transferred portion, there is a junction point which will remain a station on the old line as well as being established as a station on the new line, a note or reference mark may be provided in connection with the name of such point and explained substantially as follows:

> This adoption notice does not have the effect of eliminating ——— as a station on ——— (corporate name of old carrier), but has the effect of establishing said station also as a station on ——— (corporate name of adopting carrier).

(3) In addition to the adoption notice in paragraph (j)(2) of this section the old carrier shall immediately file, under proper concurrence from the adopting carrier, a supplement to each of the tariffs covered by the adoption notice reading as follows:

> Effective ——— (here insert date shown in the adoption notice), this tariff or as amended, in so far as it contains rates, rules, and/or regulations applying from, to, at, or via the following stations ——— (naming them), became the tariff of the ——— (corporate name of adopting carrier as per adoption notice ICC No. ——— of ——— (corporate name of adopting carrier).

(4) Such supplements must contain no other matter, must bear reference to this section, and may be issued without regard to the provisions of paragraph (e) of this section.

(5) Rates applying locally between points on the transferred portion shall as quickly as possible be transferred to tariffs of the adopting carrier. In all instances where rates are transferred from tariffs of the old carrier to tariffs of the adopting carrier, the adopting carrier shall establish the rates in its tariffs and the old carrier shall cancel the corresponding rates from its tariffs effective on the same date with a reference to the ICC number of the adopting carrier for rates applying thereafter.

(6) Tariffs issued by other carriers or agents, in which the line absorbed, taken over, or operated in part by another carrier is named as a participating carrier, shall be amended on statutory notice, to add the new carrier as a participating carrier by the first subsequent supplement. Such supplement shall also contain the following provision:

> The ——— (corporate name of adopting carrier) by its adoption notice ICC No. ———, having taken over tariffs, etc., of the ——— (corporate name of old carrier) in so far as they contain rates, charges, rules, or regulations applying from, to, at, or via the following stations ——— (naming them), the ——— (corporate name of adopting carrier) is hereby substituted for the ——— (corporate name of old carrier) wherever the latter appears in this tariff in connection with said stations and rates.

(7) Similar adoption notice numbered in the ICC series of the carrier must immediately be filed by a receiver when he assumes possession and control of part of a carrier's lines. When the receivership is terminated, the carrier taking over the properties shall file an adoption notice and shall also file supplements as prescribed in this section if a change in the name of the carrier has been made.

(8) Notices of adoption should be filed with the Commission immediately, and if possible, on or before the date shown therein. Copies must be sent to each agent or carrier to which power of attorney or concurrence has been given. The notice must refer to this rule and its effective date must be the date (as shown in body of notice) on which the change in name or operation occurs. If prior approval of such change is necessary, reference must also be made to the order of the Commission.

(k) *Suspension of tariff schedules.* (1) Upon receipt of an order suspending any tariff or portion thereof, the carrier or agent who filed such tariff shall immediately file with the Commission a supplement, not bearing an effective date, which shall contain a reproduction of the pertinent portions of the Commission's order of suspension (including the paragraph prohibiting changes in the suspended matter), followed by a statement that by reason of the Commission's order (i) the use and application of the suspended publication or portions thereof (which must be identified with certainty) is either indefinitely deferred or deferred for the period prescribed in the Commission's suspension order and (ii) the schedules which were to be changed by the suspended publication (which schedules must also be identified with certainty) will remain in effect and will not be changed so long as effectiveness of the suspended matter is deferred (if deferred only for the term of the Commission's order, the date must be specified), except by order or special permission of the Commission.

(2) If the responsible carrier or publishing agent has elected to file a supplement deferring the suspended matter only for the period prescribed by the Commission's order, and if prior to the expiration of that order, the Commission formally or informally requests that a further deferment be made, the carrier or publishing agent may, under the authority of this section, issue a supplement effecting such further deferment. Where suspended matter has previously been deferred under the authority of this section, the carrier or publishing agent may, when requested by the Commission and prior to the date to which the matter is postponed, issue a supplement under the authority of this section, further postponing the effective date of the matter originally suspended. Supplements issued should be filed on statutory notice if practicable, and otherwise on shorter notice, but the notice shall be as long as time will reasonably permit and in no event less than one day. Where the effectiveness of matter originally suspended by the Commission has been voluntarily postponed beyond the term of the Commission's order, no change during the period of such voluntary postponement may be made in the tariff matter which was originally held in force by the Commission's suspension order, except by order or special permission of the Commission.

(3) Where, following the entry of a report and order in an investigation and suspension proceeding, a further order is entered in such proceeding postponing the effective date or requirement of the original order, the carrier or publishing agent, under authority of this section, may issue a supplement effecting such further deferment of the suspended schedule, and may also issue a supplement to announce postponement of the effective date of a cancellation or vacation supplement or notice filed following the entry of such report and order, to and including a date immediately preceding the effective date fixed in the further order effecting the postponement. Further, where pursuant to the provisions of section 17(8) of the Interstate Commerce Act, the filing of an application for rehearing, reargument, or reconsideration stays the order fixing the effective date of a requirement or other action in an investigation and suspension proceeding, as evidenced by notice of the Commission to the parties, the carrier or publishing agent, under authority of this section, may issue a supplement effecting further deferment of the schedule under suspension or under voluntary postponement, and may also issue a supplement to announce postponement of the effective date of a cancellation or vacation supplement or notice that was filed following the entry of the report and order in such investigation and suspension proceeding. (Postponement should be to the last day of the suspension period prescribed in the suspension order, except where the responsible carrier or publishing agent elects to defer the use of the suspended schedule beyond the statutory period of suspension, in which event postponement should be until the date upon which the supplement announcing such postponement is canceled.) Supplements issued should be filed on statutory notice if practicable, and otherwise on shorter notice, but the notice shall be as long as time will reasonably permit and in no event less than one day.

(4) When the Commission has suspended a supplement in whole or in part, it sometimes occurs that prior to the filing of the supplement announcing suspension, a later supplement has been filed which purports to reissue the suspended matter. In such instances the suspension supplement re-

quired by this section shall also (i) specifically cancel from the later supplement such reissued matter, and (ii) amend the cancellation notice on the title page of said supplement so as to except the suspended matter from the cancellation. Tardiness in filing supplements announcing suspension may result in the rejection by the Commission of the supplement which cancels the suspended matter.

(5) When the Commission suspends an entire tariff, the previous tariff and effective supplements are continued in effect and will remain in force during the period of suspension or until lawfully canceled or reissued. Except as to loose-leaf tariffs and tariffs of less than five pages, supplements containing additions and/or changes in rates or other provisions which were not sought to be changed by the suspended tariff may be filed to the previous tariff without regard to the volume of supplemental matter which the effective supplements in the aggregate may contain. If the volume of supplemental matter permitted by paragraph (e) of this section has been exceeded under authority of this paragraph, and the Commission orders the cancellation of the suspended tariff, the volume of supplemental matter must be brought within the requirements of paragraph (e) of this section by schedule filed within 90 days, or such tariff must be reissued in accordance with the following: If consisting of less than 100 pages, by schedule filed within 90 days, and if consisting of 100 or more pages, by schedule filed within 120 days, from date upon which the suspended tariff is canceled.

(6) When the Commission suspends an entire supplement, the supplement will not be counted in the number of supplements nor in the volume of supplemental matter permitted by paragraph (e) of this section; nor in the event of suspension of a portion of a supplement will that supplement be so counted after all matter therein except the suspended portions has been reissued in or canceled by a subsequent supplement. Such subsequent supplement shall cancel the supplement containing the suspended matter "except portions under suspension in I. & S. Docket No. ———, viz. (identifying the suspended portion by item and page number)."

(7) When a tariff (not a supplement), any portion of which is under suspension, is canceled, the new tariff may either (i) cancel the previous tariff "except portions under suspension in I. & S. Docket No. ———, viz. (identifying the suspended matter and the matter held in force by the suspension order by item and page number)," or (ii) cancel the previous tariff entirely and bring forward without change the matter held in force by the order of suspension, followed immediately by the matter under suspension. The matter held in force by the order of suspension must be identified as such and shown as expiring with the date to which the suspended matter has been postponed. The suspended matter immediately following must likewise be identified as such and shown as effective on the day following the expiration of the matter held in force by the order of suspension.

(8) When an order of suspension relates to a portion of a new tariff or a supplement thereto, intended to supersede completely a readily identifiable item (or other unit) in the prior tariff, such matter as is continued in effect by the order of suspension may be published (see Note following paragraph (k)(9) of this section) in the supplement announcing suspension. When so published the following notation must be provided in connection therewith, either as a note or in the form of a reference mark:

> The matter subject to this (note or reference mark as the case may be) is reissued from tariff ICC ——— and is continued in effect by the terms of the order of suspension in I. & S. Docket No. ———, and unless it is sooner canceled, changed, or extended, will expire with ———. (The date to be shown will be the date to which the suspended matter has been postponed.)

(9) When an order suspends a particular rate or rates or a portion of matter in an item (or other unit) in a new tariff and the matter remaining in effect in a prior tariff thereby becomes an integral part of such item (or other unit) of the new tariff, the entire item (or other unit) of the new tariff may be republished in the supplement announcing the suspension,

provided there is shown in such item (or other unit), (i) the matter continued in effect by reason of the order of suspension, (ii) the suspended matter, and (iii) all other provisions of the item (or other unit) without change and appropriately indicated as reissued from the new tariff (see Note following this paragraph). The matter held in force by the order of suspension must be identified as such and shown as expiring with the date to which the suspended matter has been postponed. The suspended matter immediately following must likewise be identified as such and shown as effective on the day following the expiration of the matter held in force by the order of suspension. When the effective date of suspended matter has been indefinitely postponed, that fact must be stated by appropriate language.

NOTE: The form of publication permitted by the two paragraphs preceding may be used only when it permits complete cancellation of the tariff containing the matter continued in effect by the order of suspension. It may not be used in loose-leaf tariffs nor where the application of matter continued in effect depends in whole or in part upon other provisions, such as station grouping, rate bases, rules or regulations, which differ from those in the new tariff and which cannot be brought forward in the supplement announcing suspension.

(10) When a revised (not an original) loose-leaf page, a portion of which is under suspension, is reissued the new revised page shall (i) include the matter continued in effect by reason of the order of suspension, (ii) cancel the page previously containing such matter, and (iii) cancel the loose-leaf page containing the suspended matter "except portions under suspension in I. & S. Docket No. ———, viz. (identifying the suspended portion by item and page number)."

(11) Neither a suspended tariff provision nor a provision held in force by reason of an order of suspension may be changed or canceled except by order or permission of the Commission.

(12) When the Commission vacates an order of suspension, or when suspended matter has been voluntarily postponed beyond the term of the Commission's order, and the Commission finds the suspended matter justified, a supplement may be filed making the suspended or postponed matter effective on one day's notice unless the Commission directs otherwise.

(13) When an order which suspended a tariff in its entirety is vacated and/or the Commission formally finds that the suspended tariff is justified, the vacating supplement filed under authority of this section may also include as reissues any changes or additions which in the interim have been made in the tariff which was held in force by the order of suspension. If by special permission a new tariff has been filed during the period of suspension, canceling the tariff proposed to be canceled by the suspended tariff, any changes or additions published in the new tariff which are not included in the suspended tariff may likewise be included in the vacating supplement as reissued items, but in such cases the vacating supplement must also cancel the new tariff. No other matter may be included in vacating supplements. When reissued matter is published in a vacating supplement, the vacation notice must be printed in not less than 10-point type, either on the title page or immediately preceding the particular tariff matter to which the notice applies.

(14) When a tariff has been canceled except portions under suspension by a new tariff and the Commission vacates its suspension order and/or formally finds the suspended matter justified after the new tariff has become effective, a supplement may be filed to the new tariff on not less than one day's notice (unless the Commission directs otherwise), republishing and establishing the suspended matter and canceling the matter which was effective during the period of suspension, together with the matter under suspension in the former issue. When the Commission vacates its suspension order and/or formally finds the suspended matter justified before the new tariff becomes effective, a vacating supplement as provided in this section should be filed to the old tariff, and a supplement should also be filed to the new tariff on not less than one

day's notice (unless the Commission directs otherwise), establishing therein the matter which was under suspension in the old tariff. A supplement common to both tariffs as authorized by paragraph (h) of this section may be issued for this purpose.

(15) When the Commission suspends matter in a tariff or a supplement thereto and thereafter orders its cancellation, the cancellation shall become effective upon not less than one day's notice (unless the Commission directs otherwise), by supplement to or reissue of the tariff. When the Commission orders suspended matter canceled and the final date for compliance is subsequent to the date to which the matter has been postponed, carriers should endeavor to make the cancellation in time to prevent the rates or other provisions which have been found not justified from becoming effective. If this is not done and the suspended matter becomes temporarily effective, it is necessary when cancellation is effected to republish and reestablish the matter which was continued in force by reason of the order of suspension.

(16) Every suspension, vacation, and cancellation supplement issued under authority of this section must bear on its title page the following notation:

> Issued under authority of rule 9 (k) of Tariff Circular No. 20 and in compliance with order of the Interstate Commerce Commission in I. & S. Docket No. —— of (date).

Postponement supplements issued under authority of this section must show on the title page:

> Issued upon —— day's notice under authority of rule 9 (k) of Tariff Circular No. 20.

(17) Supplements issued under authority of this section will not be counted in the number of effective supplements, or the volume of supplemental matter, permitted under paragraph (e) of this section, but must be listed among the effective supplements as required by paragraph (c) of this section.

(18) The provisions of this section relating to suspension, postponement, vacation, and cancellation supplements will also govern in connection with tariffs issued in loose-leaf form, except that such supplements must not contain any other matter. All changes made in loose-leaf tariffs must be published on revised pages. (See paragraph (e) of this section.)

(l) [Reserved]

(m) *Additional supplement to establish rates under rule or order of Commission.* Except as to loose-leaf tariffs and tariffs of less than five pages, one additional supplement may be issued to any tariff without regard to the requirements of paragraph (e) of this section for the purpose of establishing rates or other provisions in compliance with an order or formal decision of the Commission and/or to establish rates under authority of § 1300.56 or § 1300.57. The next regular supplement filed must bring the number of effective supplements within the requirements of paragraph (e) of this section. Only one such supplement may be in effect at any time and, except as provided in § 1300.14(f), may contain no other matter. It must be designated on its title page as "Issued under authority of rule 9 (m) of Tariff Circular No. 20."

[32 FR 20510, Dec. 20, 1967, as amended at 40 FR 36351, Aug. 20, 1975]

§ 1300.10 Terminal and special services; distance and mileage rates.

(a) *Terminal and special services.* Each carrier or its agent shall publish, post, and file tariffs which shall contain in clear, plain, and specific form and terms all the rules governing and rates and charges for demurrage, switching, floating, lighterage, wharfage, and other terminal services, storage transfer and drayage, weighing, diversion, reconsignment, icing, refrigeration, heat, elevation, feeding, grazing, and other transit services, absorptions, allowances, and all other charges and rules which in any way increase or decrease the amount to be paid on any shipment, or which increase or decrease the value of the service to the shipper. Tariffs authorizing such services, or providing charges therefor or for the absorption of such charges, must clearly show their application in connection with traffic moving under less-than-carload or any quantity rates.

(b) *Method of publication.* Subject to the provisions of paragraphs (c), (f) of this section, the application of the several services and/or the charges covered by paragraph (a) of this section in connection with line-haul rates lawfully on file with the Commission must be provided for in one of the three following ways:

(1) By including in the tariff which contains the rate upon which charges are finally to be assessed the specific authority for the extra service, the rules or regulations under which such extra service is to be performed, and the charge, if any, therefor; (2) by specific reference, in the tariff which contains the rate upon which charges are finally to be assessed, to the ICC number of a separate publication containing the authority for such service and the charge, if any, therefor; or (3) by including in the tariff which contains the rate upon which charges are finally to be assessed a clause providing that shipments made under the rates contained therein are entitled to the following services (here name specifically the services which will be permitted in connection with such rate (tariff) and are subject to the charges therefor, if any, of participating carriers performing the services "as per tariffs lawfully on file with the Interstate Commerce Commission."

(c) *Intermediate switching, drayage, or transfer.* A joint through rate from a point on the line of one carrier to a point on the line of another carrier includes switching, drayage, or other transfer service at intermediate interchange points, and no part of such charges may be added to the joint rate on shipments handled through and not stopped for special services at such intermediate interchange points. Carriers performing intermediate switching services in connection with joint rates should be shown as participating carriers in the joint rate; but if this is not done, the carrier performing the switching service must have on file with the Commission a tariff naming its charges for the intermediate switching service and the line-haul carriers parties to the joint rate must file tariffs providing for the payment of all such charges to the switching road.

All tariffs containing joint rates must contain the following provision:

> The joint rates published herein include all charges for switching, drayage, or other transfer services at intermediate interchange points on shipments handled through and not stopped for special services at such intermediate interchange points.

(d) *Switching road charges.* (1) Any carrier performing a switching or terminal service, even though its line be located wholly within one State, must publish, post, and file in accordance with the law and the Commission's regulations a tariff containing its switching charges upon or for movements on interstate shipments; and this must be done regardless of absorption provisions published in connecting lines' tariffs. Such switching tariff must name the stations, warehouses, team, or industrial tracks, or other points at which shipments will be received or delivered within the switching limits, or must otherwise clearly define such limits.

(2) All of the switching charges of a carrier must be published in one tariff except as indicated in (d)(2)(i), (ii), and (iii) of this section.

(i) When a carrier divides its line and publishes separate ICC series of tariffs for the different portions thereof, separate tariffs of switching charges must be published for each.

(ii) When a carrier publishes a separate ICC series to provide rates and charges on a single commodity or group of commodities, for example, coal and coke, it may publish a separate tariff covering all of its switching charges on that commodity or group of commodities.

(iii) Carriers may publish separate tariffs of switching charges applicable at important points on their lines, Provided, That such points are indexed in the general switching tariff and reference is made therein to the ICC number of the separate tariffs published for such points.

(3) Provisions, if any, for the absorption of connecting-line switching charges may be included in the tariff of rates or in the switching tariffs described in this section, or such provisions must be included in a single separate publication or in a single separate publication in each ICC series of tar-

iffs. (See paragraph (f) of this section.)

(4) Nothing in this section shall be construed as prohibiting two or more carriers employing a joint agent for the publication of a consolidated switching tariff at a particular point, which tariff must contain all of the switching charges and absorption provisions of the carriers parties to the tariff at that point. In such cases the general switching tariff (or tariffs) of each carrier must index the point covered by the joint agency publication and must show reference by ICC number to the joint agency publication.

(e) *Switching and other terminal charges added to rate.* A carrier's charges for switching or other terminal services (except as otherwise provided in paragraph (c) of this section) must be added to the line-haul tariff charges unless such switching charges are absorbed, in whole or in part, in the manner provided by paragraph (f) of this section.

(f) *Switching road's charges absorbed.* Line-haul carriers may absorb charges for switching or other terminal services performed at point of origin, point of destination, or (except as otherwise provided in paragraph (c) of this section) at an intermediate point, provided, the line-haul carriers publish and file a tariff which shows that such switching charges as published in tariffs of the switching carrier (naming it) lawfully on file with the Interstate Commerce Commission will be absorbed in their entirety. Line-haul carriers may also absorb switching charges in part or in a specified amount. In such cases the tariff containing the absorption provision shall state that such charges are published in tariffs of the switching carrier (naming it) lawfully on file with the Interstate Commerce Commission and shall also state that charges not absorbed will be in addition to the line-haul rate.

(g) *Distance rates may be used when no other rates provided.* (1) A carrier or an agent acting for two or more carriers may file tariffs containing distance or mileage class or commodity rates or both. Except as otherwise provided in §§ 1300.7 and 1300.27, distance or mileage class rates may be used only when no specific through class rates from and to the same points are provided and distance or mileage commodity rates may be used only when no specific through commodity rates from and to the same points are provided. Except as otherwise provided in §§ 1300.7 and 1300.27, distance or mileage commodity rates will apply even though specific through class rates from and to the same points are provided.

(2) Tariffs containing distance or mileage rates must clearly and definitely show the application of the rates, must contain an alphabetical list of points between which the rates apply and must also show in proper arrangement the specific distances between such points, or may make reference by ICC number to a separate tariff for such list of points and distances. (See paragraph (h) of this section.)

(3) Each tariff that contains only distance or mileage class rates must bear on its title page the following rule:

> The distance or mileage class rates shown herein may be used only when no commodity rates or specific through class rates from and to the same points have been provided on the same shipment.

(4) Each tariff that contains only distance or mileage commodity rates must bear on its title page the following rule:

> The distance or mileage commodity rates shown herein may be used only when no specific through commodity rates from and to the same points have been provided on the same shipment.

(5) Each tariff that contains only distance or mileage class and commodity rates must bear on its title page the following rule:

> The distance or mileage class rates shown herein may be used only when no commodity rates or specific through class rates from and to the same points have been provided on the same shipment; and the distance or mileage commodity rates shown herein may be used only when no specific through commodity rates from and to the same points have been provided on the same shipment.

(6) If distance or mileage rates without alternative application are pub-

lished in a tariff which also contains specific rates, the notations for class or commodity or both class and commodity rates, as the case may be, prescribed by this paragraph must be shown immediately in connection with such distance or mileage rates.

(7) If distance or mileage rates have alternative application, the notations prescribed in this paragraph must be qualified by the prefatory words, "Except to the extent alternative application of rates is provided."

(h) *Distance or mileage tables.* (1) Each carrier must publish, post, and file, individually or through an agent, a tariff containing a list of its stations and the shortest distances via its line between such stations, arranged in one of the three following ways:

(i) Showing the distance from each station to each station.

(ii) Showing the distance from each station to each junction point with a branch of its own railroad and to each junction point with another railroad.

(iii) Showing the distance from each junction point on its line, either with a branch of its own railroad or with another railroad, to each other such junction point, and the distance from each local station to the nearest junction point in each direction.

(2) Each of such tariffs must also clearly indicate which of the stations are junction points at which it is possible to interchange carload traffic without transfer of lading and must name the connecting carriers at each such junction with which such transfer is possible.

(3) Where carriers participate in joint distance or mileage rates they must on or before May 5, 1930 either (i) publish in the tariff containing such joint distance or mileage rates or in a separate publication filed by an agent, an alphabetical list of all stations between which such distance or mileage rates apply and the distances from each of such stations to every other station, indicating in an appropriate manner which of such stations are junction points at which it is possible to interchange carload traffic without transfer of lading, and naming the connecting carriers at each such junction point with which such transfer is possible or (ii) file through an agent a separate joint publication which shall contain an alphabetical list of all the junction points on their respective lines at which it is possible to interchange carload traffic without transfer of lading in the area embraced by the application of such joint distance or mileage rates, together with the names of the connecting carriers at each junction point with which such transfer is possible, and the distance from each such junction to each other such junction point; and they must in the tariffs containing such joint distance or mileage rates give reference by ICC number to such separate joint publication. The latter must also contain the distance from each local station to the nearest junction point in each direction, or the tariff containing the joint distance or mileage rates must also refer by ICC number to the tariff or tariffs of each carrier containing the distances between points on its line and such junction points.

NOTE: It is not intended by the preceding paragraph to require carriers to have one separate publication for each rate tariff containing joint distance or mileage rates but all the distances over which joint rates in which such carrier participates may be included in one publication.

(i) *List of stations showing facilities, additions and abandonments.* (1) A tariff publication may be filed containing a list of stations with the railroad location of each, alphabetically and geographically arranged with index numbers, prepay requirements, station facilities, additions of stations, abandonments of stations, changes in names of stations, and restrictions as to acceptance and delivery of freight. No rates or charges and no matter that will in any way operate to increase or decrease the rate or charge in tariffs making reference to this publication may be shown therein. Changes in such a tariff may be made on not less than one day's notice, except that announcement of the abandonment of stations, changes in index numbers of stations and restrictions as to the acceptance or delivery of freight must be made effective on not less than thirty days' notice.

(2) Changes made on less than statutory notice under the authority of this paragraph shall recite that they are so

made, either directly or by reference to an item in the original tariff stating:

> Changes in this tariff that make reference to this item are established upon less than statutory notice under authority of rule 10(i) of Tariff Circular No. 20.

Rate tariffs that are to be governed by such separate tariff publication must make reference thereto in the wording shown below:

> Governed by ——— ICC No. ———, supplements thereto or successive issues thereof, as to additions and abandonments of stations, and except as otherwise shown herein, as to prepay requirements, changes in names of stations, restrictions as to acceptance or delivery of freight and changes in station facilities. When a station is abandoned as of a date specified in the above named tariff, the rates from and to such station as published in this tariff are inapplicable on and after that date.

(3) When a station has been abandoned as of a date specified in the tariff authorized by this paragraph, the rates from or to such station in rate tariffs governed thereby have become inapplicable and must be eliminated in the next amendment of such rate tariffs. When the elimination is made by supplement, the following notation must be used:

> Eliminate account station abandoned. For effective date see (here make reference to the governing tariff issued under this rule).

This notation must be continued in connection with the name of the station as long as the tariff remains effective, and indicated as a reissue from the supplement in which it was first published, without stating the effective date of such supplement.

(j) *Tank-line gauge books and equipment register.* When rates are published with minimum weights dependent upon the length or marked, cubical or gallonage capacity of the car used, the length or marked, cubical or gallonage capacity becomes an integral part of the charge and carriers must file tariffs showing the numbers, dimensions, capacities, and ownership of freight cars, and other information required by law to be filed with respect to such cars. Such information may be published in separate publications and be filed by duly authorized agents. Tariffs governed by such publications must bear specific reference to the ICC number thereof. Successive issues of such publications and supplements thereto may be made effective on 1 day's notice by noting thereon reference to this section.

§ 1300.11 Index of tariffs.

(a) Each carrier shall publish as a tariff, under ICC number, a complete index of all effective tariffs to which it is a party either as initial or delivering carrier. Such index shall be arranged in sections as indicated below, and shall show as to each tariff: (1) ICC number, (2) full or abbreviated name of issuing carrier, tariff publishing bureau, or agent, (3) type of tariff or description of the traffic upon which it applies, (4) where tariff applies from, (5) where tariff applies to, and (6) whether tariff contains other than all-rail rates. The information required by items (3), (4), and (5) shall be stated in sufficient detail to show clearly the application of the tariff. Additionally, the index may show as to each tariff the carrier's own number, the index number, and the issuing carrier's (or agent's or tariff publishing bureau's) number.

First section: A list of all tariffs as to which the carrier is an initial carrier, entered in the following order: Specific commodity tariffs, general commodity tariffs, class and commodity tariffs, class tariffs, and miscellaneous schedules such as billing books, classifications, exception sheets, switching tariffs, etc. Specific commodity tariffs shall be entered alphabetically under the names of commodities or principal commodities. Tariffs applying to different groups of the same commodity shall be grouped together; for example, "Lumber, hardwood, Lumber, yellow pine," etc. Each group of specific commodity tariffs and tariffs grouped under the respective heads of general commodity tariffs, class and commodity tariffs, and class tariffs, shall be entered by alphabetical arrangement of the points or territory from or to which they apply, in either the "From" or "To" column. Miscellaneous schedules shall be entered in alphabetical order.

Second section: A list of all tariffs under which the carrier is a delivering carrier arranged alphabetically by names of issuing carriers, tariff publishing bureaus, or agents, with the items arranged by commodities and classes under each of such carriers, tariff publishing bureaus, or agents, as prescribed for the first section. If carrier so desires, lists of tariffs under which it is an intermediate carrier may be included in this section provided those tariffs under which it is a delivering carrier or an intermediate carrier or both are indicated.

Third section: A complete list of the numbers of effective tariffs of its own ICC series arranged in numerical order.

(b) Tariffs covering only specific circus movements and supplements to tariffs should not be included in indexes. Where supplements have the effect of changing the application of the original tariff, the descriptions of such tariff in the index should be amended accordingly. If carriers so desire, lists of their intrastate tariffs, division sheets, official circulars, etc., may appear in this publication. In connection with intrastate tariffs which do not bear ICC numbers the reference mark prescribed in § 1300.4(m) must be used with explanation "Rates in this tariff do not apply on interstate shipments." All intrastate tariffs which bear ICC numbers must be properly shown in the index.

(c) A group of family lines may unite in the publication and filing by a connecting trunk line of a joint index of the tariffs of such family lines, provided the application of the tariffs as to each line is plainly indicated and such lines are shown as parties to the joint index under concurrence.

(d) The index must be kept current by supplements which need not be issued more frequently than quarterly. The index must be reissued every four years. Supplements must be numbered consecutively, must be constructed in accordance with specifications for the index itself and must show additions, changes and cancellations made in index itself or in prior supplements, by reference to the page or index number of the entry changed or canceled. Supplements may be issued without regard to volume of supplemental matter permitted by § 1300.9(e), but not more than five supplements may be in effect at any time.

(e) Each index must bear on its title page these notations: "This index contains list of tariffs in effect on (date of issue of index)" to which in proper circumstances may be added "or which have been filed to become effective at a later date as shown within"; also "This index will be reissued on or before ———19—, and all changes will be reflected in supplements issued quarterly."

(f) Each supplement to an index must bear on its title page the notation, "Supplements Nos. ——— and ——— contain all changes from original index that are in effect on date hereof"; to which may be added "or which have been filed to become effective at a later date as shown within."

(g) The title page of each index and of each supplement must bear date of issue but must not bear an effective date. The rule requiring thirty days' notice does not apply to these indexes and their supplements.

NOTE: One index containing both freight and passenger tariffs may be filed, but if both freight and passenger tariffs are included in one index the information required by each rule must be shown in separate sections, the index must be given an ICC number in both freight and passenger series, and four copies must be filed with the Commission.

[32 FR 20510, Dec. 20, 1967, as amended at 42 FR 36462, July 15, 1977]

§ 1300.12 Restoration and discontinuance of water service.

Tariffs containing rail-and-water or all-water rates applicable via routes upon which it is necessary to close navigation during a portion of each year, must provide for the restoration and discontinuance of service over such routes in the manner prescribed in paragraphs (a) to (e) of this section.

(a) *Notation on title page.* The following notation shall appear either (1) on the title page of the tariff, (2) amongst the rules governing the application of rates, or (3) immediately in conjunction with the rates to which the notation applies:

> Transportation service in connection with (here insert name of water carrier or carriers specified in the tariff) is subject to restoration and discontinuance as indicated on page ———.

When the foregoing notation is published in the tariff amongst the rules governing the application of rates, reference thereto must be made in the table of contents of the tariff, and the words "as follows" must be substituted for "as indicated on page ———."

(b) *When definite dates of service cannot be determined.* (1) When definite dates for restoration and discontinuance of transportation service for each season of navigation cannot be determined the following rule must be published in the tariff under the heading of "Application of rates":

> Shipments will be accepted by carriers parties to this tariff during the period from ——— (here show date approximately 30 days prior to the first sailing from port of transshipment) to ———(here insert date which will allow sufficient time for shipment to reach the port of transshipment prior to the last sailing) of each year, for transportation on the vessels of the ——— (here insert name of water carrier or carriers named in the tariff). Shipments also will be accepted from the latter date until the date announced by supplements to this tariff, subject to the condition that all freight left on hand at the port of transshipment after the closing of navigation for lack of space on vessels sailing after the arrival of such freight, and all freight reaching the port of transshipment after the last sailing of each season of navigation, will be forwarded via all-rail routes and be subject to the tariff rates applicable via such all-rail routes in effect on date of shipment from the point of origin of the shipment. In such cases shipping receipts, bills of lading and way-bills must bear notation to that effect. Supplements announcing the final date upon which shipments will be accepted for transportation, under this tariff and effective supplements thereto, will be filed with the Interstate Commerce Commission and posted at points from which the rates apply not less than 1 day in advance of such date.
>
> NOTE: In applying the provisions of the preceding paragraph, the date on which final instructions are received for transportation via the water line will be considered the date of acceptance of the shipment for transportation by that line. The rate to be applied on shipments moved via the water line will be the rate in effect on the date shipments are received for transportation at points of origin.

(2) The dates for restoration and discontinuance of service as set forth in this paragraph shall be shown in boldface type.

(c) *When definite dates of service can be determined.* When definite dates for restoration and discontinuance of transportation service for each season of navigation can be determined the following rule must be published in the tariff under the heading of "Application of rates":

> Shipments will be accepted by carriers parties to this tariff, during the period from ——— (here show date approximately 30 days to the first sailing from port of transshipment) to ———(here show date which will allow sufficient time for shipment to reach the port of transshipment prior to the last sailing) of each year, for transportation on the vessels of the ——— (here insert name of water carrier or carriers named in the tariff). Shipments also will be accepted from the latter date until ———(here insert final date upon which shipments will be accepted for transportation under the tariff and effective supplements thereto), subject to the condition that all freight left on hand at the port of transshipment after the closing of navigation for lack of space on vessels sailing after the arrival of such freight, and all freight reaching the port of transshipment after the last sailing of each season of navigation, will be forwarded via all-rail routes and be subject to the tariff rates applicable via such all-rail routes in effect on date of shipment from the point of origin of the shipment. In such cases shipping receipts, bills of lading, and way-bills must bear notation to that effect.
>
> No supplement will be issued to this tariff announcing the date of discontinuance of transportation service.
>
> NOTE: In applying the provisions of the preceding paragraph, the date on which final instructions are received for transportation via the water line will be considered the date of acceptance of the shipment for transportation by that line. The rate to be applied on shipments moved via the water line will be the rate in effect on the date shipments are received for transportation at points of origin.

The dates for restoration and discontinuance of service as set forth in this section shall be shown in boldface type.

(d) *Contents of supplements.* Supplements announcing discontinuance of transportation service under this section may be filed with the Interstate Commerce Commission and posted at points from which the rates apply on not less than 1 day's notice by noting thereon reference to this section. Only one such supplement may be in effect at any time; it may not contain other matter and may be issued without regard to the requirements of § 1300.9(e).

(e) *Tariffs may be reissued.* Tariffs containing rail-and-water or all-water rates may be reissued or amended at any time in the regular manner, but tariffs containing the clause prescribed by paragraph (b) of this section which are made effective subsequent to the date of actual discontinuance of service must contain a statement that service was discontinued on ——— as per supplement No. ——— to ICC No. ——— (former tariff) and that supplement announcing discontinuance of service for that season will not be filed.

CROSS REFERENCE: For regulations of the Federal Maritime Commission relating to tariffs of common carriers by water in interstate commerce, see 46 CFR Part 531.

§ 1300.13 Filing tariffs.

(a) *Authority to file.* Tariffs shall be published and filed by carriers either directly or through duly authorized tariff-publishing agents. When filed directly by a carrier the concurrence (or power of attorney as authorized in § 1300.18(f)), and when filed by an agent the power of attorney, of every carrier participating therein must be filed or on file with the Commission. (See §§ 1300.17 to 1300.20, inclusive.)

(b) *Agent will file under own ICC number.* A tariff publishing agent must file tariffs under his or its own single series of ICC numbers and not in the series of any of his principals. If the agent is a corporation or an unincorporated association (see § 1300.17(a)) having jurisdiction over two or more tariff publishing organizations, bureaus, or committees, the tariffs issued through each such tariff publishing organization may bear a separate series of ICC numbers.

(c) *Filing by issuing carrier or agent.* Tariffs must be filed by the issuing carrier or agent, and such filing will constitute filing for all carriers parties thereto. Such tariffs must be posted at stations of carriers participating therein in the manner required by law.

(d) *Exchange of publications.* The agent or the carrier that issues a joint tariff publication shall at once send copies thereof to each and every carrier that is named as party thereto.

(e) *Conflict between tariffs; avoidance.* A carrier that grants authority to an agent or to another carrier to publish and file certain of its rates must not in its own issues publish rates which duplicate or conflict with those which are published by such authorized agent or other carrier.

CROSS REFERENCE: For provisions concerning powers of attorney and concurrences, see §§ 1300.17 to 1300.26 inclusive.

§ 1300.14 Statutory notice; additional procedure in filing tariffs.

(a) *Period of notice.* The act requires that all changes in rates, or in rules that affect rates, shall be filed with the Commission at least 30 days before the date upon which they are to become effective unless otherwise authorized by the Commission. Manifestly it is impossible for the Commission to check the items in tariffs to determine whether or not statutory notice has been given. Therefore, except as otherwise authorized by the Commission, 30 days' notice to the public and to the Commission must be given as to every tariff publication filed with the Commission, regardless of whether or not changes are effected thereby. (See §§ 1300.3(h), 1300.9(d).)

(b) *Filing of tariffs and receipt by Commission not relief of carriers from liability.* The law affirmatively imposes upon each carrier the duty of filing with the Commission all of its tariffs and amendments thereto in the manner prescribed in the law or in any rule which may be promulgated by the Commission. A penalty is provided for failure so to do, or for using any rate which is not contained in its lawfully published and filed tariffs. The receipt and filing of a tariff or supplement by the Commission does not relieve carriers from liability for violation of the act or of regulations issued thereunder.

(c) *Interstate shipments.* Rates for through shipments are often made by adding together two or more rates. All rates used in making combination through rates for interstate shipments, including rates between points in one State, must be filed with the Commission and posted at stations and can only be changed as to such traffic in accordance with the terms of the act.

(d) *Delivery free of charges.* No tariff, revised page, or supplement will be received by the Commission unless it is delivered to it free from all charges including claims for postage.

(e) *Rejection of tariffs and notices of revocation.* (1) Any tariff or schedule, tendered for filing, which fails to give lawful notice of changes in rates, charges or other provisions which it proposes to establish, or which fails to meet the requirements of the regulations contained in this chapter, or violates any order of the Commission or of a court, is subject to rejection by the Commission. When a tariff or schedule is rejected, the Commission, acting through a designated administrative officer, will inform the carrier or the agent who tendered it for filing, in writing, of the reasons for rejection, and will return the rejected tariff or schedule to such carrier or agent.

(2) The number assigned to a tariff or schedule which has been rejected may not again be used. The rejected tariff or schedule may not be referred to in any subsequent tariff or schedule as having been canceled, amended or withdrawn, but the tariff or schedule which is published in its stead must bear the following notation: "Issued in lieu of (here identify the rejected schedule or tariff), rejected by the Commission."

(3) A notice of the revocation, complete or partial, of a concurrence or power of attorney which, if it were to become effective, would require the establishment of rates, fares, or charges in violation of an order of the Commission or of a court, or of the regulations in this chapter, may be rejected in the same manner as a tariff or schedule and any such notice of revocation which would require the establishment of rates, fares, or charges of doubtful lawfulness may be suspended.

(f) *Promulgation of rates prescribed in decisions of Commission.* (1) Rates prescribed by the Commission in its decisions and orders in formal cases shall be promulgated by the carriers against which such orders are entered, in duly published, filed, and posted tariffs, revised pages or supplements, and notice shall be sent to the Commission that its decision (or order) in Docket No. ———, has been complied with in item———, page — of ——— tariff, ICC No. ——— or supplement No. ——— to ——— tariff, ICC No. ———.

(2) Unless otherwise specified in the decision or order in the case, such tariff or supplement must be made effective upon statutory notice to the Commission and to the public. Whether made effective on less than statutory notice under special authority granted in the decision or order in the case, or upon statutory notice, when an entire tariff or supplement is issued in compliance with a decision or order, such tariff or supplement shall bear on its title page the notation "In compliance with decision (or order) of Interstate Commerce Commission in Docket No. ———." (Whenever possible, the volume and page number of the report of the Interstate Commerce Commission should be shown.)

(3) If the decision or order of the Commission affects only portions of the tariff or supplements, the above notice shall be shown in connection with each portion so affected.

(4) In establishing rates, classifications, rules or regulations effective on less than 30 days' notice under authority of a decision or order of the Commission in a formal case, the carrier or carriers parties of the record, or that are lawful parties to a joint tariff in which the rates, classifications, rules, or other regulations that are prescribed are published by some carrier that is a party to the record, may include change or changes in commodity or commodities that are grouped with that or those which are specified in the decision or order; and may include adjustment at other points in order to conform rates to the provisions of the fourth section of the act, or to preserve established grouping or relation of points; and may also include adjustment of rates to same points on other commodities for the purpose of main-

taining established relation of rates between commodities; *Provided*, All changes made under authority of this section shall be effected by reductions in rates or charges.

(5) If a carrier that is not a party to the record or to the joint tariff desires to make on less than statutory notice the same changes that are made under the decision or order by carrier that is party to the same it must secure special permission so to do. (See also § 1300.9(m).)

(g) *Explanation of missing numbers or letters required.* Tariffs, bearing ICC numbers (not standard ICC designations), and supplements are required to be numbered consecutively, and tariffs bearing standard ICC designations (not ICC numbers) (see § 1300.31—ICC Numbering Systems) are required to have alphabetical suffixes affixed to the ICC designations when the tariffs are reissues of prior tariffs bearing standard ICC designations. Insofar as possible publications should be filed in such consecutive order. If, for any reason, this is not done, the tariff or supplement which is not numbered or lettered in sequence with the publication last filed must be accompanied by a memorandum explaining why consecutive numbers or letters were not used.

(h) *Number of copies; address.* Two copies of each tariff, supplement, revised page, classification, or other schedule of rates or regulations, shall be filed with the Commission, both copies to be filed together under one letter of transmittal (see § 1300.29). They must be addressed to the "Interstate Commerce Commission, Washington, D.C. 20423," with the envelope marked as containing "Tariffs."

[32 FR 20510, Dec. 20, 1967, as amended at 40 FR 36351, Aug. 20, 1975]

§ 1300.15 Rate basis books.

(a) Separate tariffs may be filed showing lists of points located in territorial groups such as "Dayton-South Bend territory," "Colorado common points," "Chicago and points taking same rates," "Baltimore and points taking same rates and points taking arbitraries or differentials to be added to or deducted therefrom," or "Points taking arbitraries over or under base points." Such a publication shall be known as a "Territorial Directory," as a tariff of "Rate Bases," or as a tariff of "Rate Bases and Billing Instructions," all of which will hereinafter be referred to as rate basis books. Such tariffs may also contain routing, waybilling instructions, and divisions, provided duplicate or conflicting routing or waybilling instructions are not also shown in the base rate tariff or in publications which govern that tariff and may be published either by one of the interested carriers or by an agent. When such a separate publication is used, reference must be made in the rate tariff to the ICC number of such separate publication. A rate tariff may not refer to another rate tariff for lists of points in territorial groups, routing, or waybilling instructions. All carriers shown as participating carriers in the tariff of rates making reference to the separate publication shall also be shown as participating carriers in such separate publication.

(b) On and after October 10, 1930,[1] no one rate may be governed by more than two such separate publications, one for points of origin and one for points of destination.

(c) Rate basis books must conform to the following requirements. Such publications should name all of the points in the territories covered and may not rely upon intermediate application rules for this purpose. The railroad location of each point must be shown, and the points in such publication must be arranged in alphabetical order, or such publication must contain an index as provided in § 1300.4(d). The rate basis, group location, or territorial application, or arbitraries or differentials to be added to or deducted from the base or group rates, must be shown immediately in connection with the name of each station, except that reference may there be made to an item showing such information. Exceptions to the rate basis, group location, or territorial application should not be made in the rate basis books unless such exceptions apply to or from a considerable number of points or on a considerable number of commodities. When the arbitraries or differentials to be added to or deducted from the base rates are subject to a different classification or to different classification exceptions than apply in connection with the base rates, references to such classification and exceptions thereto must be made immediately in connection with the arbitraries or differentials.

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[1] Except as to carriers in official territory the date was postponed until July 20, 1938, by amendment No. 13 to Special Permission No. 101515.

(d) All the rules and regulations governing the through rates determined by the use of the base rate tariff and rate basis books should be published in the base rate tariff or should be made a part thereof by reference as provided in §§ 1300.4 (h), (k), and/or 1300.10. If, however, it is necessary in particular cases to include rules or regulations in the rate basis books, such rules must not duplicate or conflict with rules contained in the base rate tariff or made a part thereof by reference to other publications.

§ 1300.16 Classification; exceptions tariff.

(a) *Classification.* (1) A classification as the term is used in this part has reference to a tariff in which all of the commodities which the carriers parties thereto may be called upon to transport, so far as can reasonably be foreseen, are listed either by specific or generic names and are assigned to ratings or classes with reference to which the carriers' class rates are applied. The classification must contain an alphabetical index of all of the articles so listed.

(2) Appropriate rules should be provided in a classification, not only to govern the application of the classification itself, but also the application of other tariffs which are made subject to the classification. Each rule should be so expressed as to make it clear whether it applies only in connection with the classification proper, or in connection also with classification exceptions and commodity tariffs governed by the classification. The rules must be separately numbered, and thoroughly and accurately indexed.

(3) Among others, each classification must contain the following rules:

(i) Except when provision is made in exceptions tariffs for alteration of the exceptions with this classification, the establishment of a classification exception removes the application of the corresponding provisions of this classification on traffic covered by such exception.

(ii) Unless otherwise provided in applicable tariffs, if there is an effective commodity rate on a given shipment, that rate and not the class rate must be applied, except that rates (either class or commodity) specifically designated as applicable only on import, export, coastwise or intercoastal shipments must be applied on such shipments to the exclusion of all other rates not so designated.

(4) When a tariff is governed by a classification each carrier for which the tariff so governed applies must also be a party to the classification.

(5) Each classification should state on its title page:

> This tariff is applicable only in connection with tariffs specifically made subject hereto.

(b) *Exceptions tariff.* (1) An exceptions tariff as the term is used in this part is a tariff which contains exceptions to the ratings and/or rules in a classification. Except as provided in paragraph (b)(9) of this section, classification exceptions may be published only in exceptions tariffs.

(2) If it is desired to establish rates differing from the classification basis between a limited number of points, the method of publication must be by commodity rate tariffs and not by classification exceptions.

(3) Each exceptions tariff must state on its title page that it contains exceptions to a designated classification, and that:

> This tariff is applicable only in connection with tariffs specifically made subject hereto.

(4) When a tariff is governed by an exceptions tariff each carrier for which the tariff so governed applies must also be a party to the exceptions tariff.

(5) A rate tariff may not be made subject to more than one exceptions tariff unless the rate tariff is subject to more than one classification, in

which case the rate tariff may be made subject to not more than one exceptions tariff for each classification.

(6) Commodities for which ratings are provided in an exceptions tariff shall be listed and indexed therein in a manner corresponding with that in the classification. Commodity descriptions in the exceptions tariff should, so far as possible, conform to those in the classification. Exceptions to rules must be numbered and completely indexed, and each rule in the exceptions tariff must specify the rule in the classification to which it is in fact an exception. Each rule must likewise indicate clearly, as in the classification, whether it applies only in connection with traffic for which ratings are provided in the exceptions tariff or whether it has broader application, and if so, precisely how much broader.

(7) Alternation of certain ratings in an exceptions tariff with corresponding ratings in the classification (general alternation is not permitted) may be accomplished by publishing the following provision in the rules of the exceptions tariff and making specific reference to it in each item as to which alternation is desired, or by publishing it, appropriately modified, immediately in conjunction with each such item:

> If on a given shipment the charge accruing under the provisions of (here identify the classification) is lower than that accruing under an item of this tariff which makes specific reference hereto, the lower charge under the classification will apply.

For alternation purposes, there may be published in the same item of an exceptions tariff an exceptions rating and a rating on the same article reproduced from the classification.

(8) Rules which are not classification exceptions, as covered by § 1300.4(h) may be included in exceptions tariffs. In such cases the exceptions tariff will be counted in applying the provisions of § 1300.4(h). Commodity lists as authorized by § 1300.6(a) may also be published in exceptions tariffs, in which case the carriers parties thereto may not publish other general commodity-list tariffs. When classification exceptions are thus published in the same tariff with other rules and/or commodity lists, the tariff shall be divided into sections, the first containing the rules (all rules), the second containing the exceptions (ratings only), and the third containing commodity lists. The several sections must be separately indexed.

(9) Classification exceptions, either ratings or rules, which apply only in connection with the class rates published in a particular tariff may be published in that tariff.

§ 1300.17 Tariffs issued through an agent.

(a) If a carrier desires to issue a tariff or tariffs through an agent it may do so by filing with the Commission an appropriate power of attorney to the designated agent. Agents may be either natural persons, corporations, or unincorporated associations whose articles of association (or other form of agreement) have been approved by the Commission in a proceeding pursuant to the provisions of section 5a, part I, of the Interstate Commerce Act. An officer or employee of an incorporated tariff-publishing agent may not act as an agent in his individual capacity for the publication of tariffs.

(b) When an association or corporation has been appointed an issuing agent the executive head thereof shall at once notify the Commission of the name of the individual who is to be responsible for the actual compilation and filing of each ICC series of tariffs issued by the agent. There may be only one issuing officer for each such series of tariffs, and the same individual may not act as issuing officer for more than one series without the special permission of the Commission. When an issuing officer is replaced the Commission shall be immediately notified in like manner of his successor.

(c) When a natural person is authorized by power of attorney to act as a tariff-publishing agent, such instrument shall designate another natural person to act as alternate agent in the event of the death or disability of the principal agent. On or before the date of filing of the first tariff or supplement by the alternate agent under the authority granted in the instrument, such alternate agent shall notify the Commission in writing that death or disability of the principal agent has occurred and that he, the alternate agent, will thereafter act until the appointment of a new principal agent. The term "disability" as used in the instrument means resignation, permanent transfer to other duties, or other permanent absence of the principal agent. After an alternate agent has once exercised the authority granted by the instrument, the principal agent may not thereafter act under that instrument.

§ 1300.18 Powers of attorney.

(a) *Publishing agents.* (1) A power of attorney shall be used by a carrier to give to a publishing agent, but not to another carrier, authority to publish and file freight rate tariffs and supplements for it, except that a carrier may give a power of attorney to another carrier in the circumstances and subject to the conditions stated in paragraph (f) of this section. Powers of attorney given to publishing agents may be either unlimited or limited, and in the case of corporations or unincorporated associations comprised of more than one bureau, committee or regional organization, the power of attorney may consist of multiple instruments, such instruments to define separately the authority to be exercised by each component bureau, committee or regional organization.

(2) A carrier may not have in effect at the same time an unlimited power of attorney and a limited power of attorney in favor of the same agent for use by the same bureau, committee, or regional organization.

(b) *Unlimited power of attorney form.* (1) An unlimited power of attorney, when given to a publishing agent, authorizes the agent to file any freight tariff in which the carrier giving the power is a participating carrier. Form FA1 confers unlimited authority to publish local rates and charges for the carrier issuing the power and to publish joint rates and charges for such carrier and such other carriers as have issued the necessary authority.

(2) The following form of power of attorney, FA1, shall be used to give such unlimited powers:

POWER OF ATTORNEY

FA1 No. —
Cancels ——— No. —

____
(Name of carrier)

____
(Mail address)

____
(Date)

Know All Men by These Presents:

That the [full and correct name of carrier] has made, constituted, and appointed, and by these presents does make, constitute, and appoint [name of principal agent] its true and lawful attorney and agent, to file in its name, place, and stead, (1) for it alone, and (2) for it jointly with other carriers [through its (name of bureau, committee, or regional organization, if any)] freight tariffs and supplements thereto, as required of common carriers by existing laws and regulations established thereunder. And does hereby give and grant unto its said attorney and agent full and unlimited power and authority to do and perform all and every act and thing above specified as fully, to all intents and purposes, as if the same were done and performed by the undersigned carrier itself, and does hereby assume full responsibility for the acts and failures to act of said attorney and agent.

And, further, that the undersigned carrier does hereby make and appoint [name of alternate agent] alternate attorney and agent to do and perform the same acts and exercise the same authority herein granted to the principal agent in the event and only in the event of the death or disability of the above-named principal agent.

____
(Name of carrier)

By ____________________________
Its ____________________________
(Title)

Duplicate mailed to:
(Name of Agent)
(Address)

(c) *Limited power of attorney form.* (1) A power of attorney may be limited in any appropriate manner provided the limitations are specifically and unambiguously expressed in the instrument. For example, the agent may be authorized to publish only local rates, only joint rates, only rates and charges on specified commodities or in a specified territory, or only specified tariffs or types of tariffs.

(2) The following power of attorney, Form FA2, shall be used to give such limited authority:

POWER OF ATTORNEY

FA2 No. —
Cancels —— No. —

____
(Name of carrier)

____
(Mail address)

____
(Date)

Know All Men by These Presents:

That the [full and correct name of carrier] has made, constituted, and appointed, and by these presents does make, constitute and appoint [name of principal agent] its true and lawful attorney and agent, to file in its name, place, and stead, (1) for it alone, and (2) for it jointly with other carriers [through its (name of bureau, committee, or regional organization, if any)], freight tariffs and supplements thereto and successive reissues thereof, as required of common carriers by existing laws and regulations established thereunder, but only as hereinafter specified:

____
(Here specify affirmatively the precise authority given to the agent)

And does hereby give and grant unto its said attorney and agent full power and authority to do and perform all and every act and thing above specified as fully, to all intents and purposes, as if the same were done and performed by the undersigned carrier itself, and does hereby assume full responsibility for the acts and failures to act of said attorney and agent.

And, further, that the undersigned carrier does hereby make and appoint [name of alternate agent] alternate attorney and agent to do and perform the same acts and exercise the same authority herein granted to the principal agent in the event and only in the event of the death or disability of the above named principal agent.

____
(Name of carrier)

By ______________________________
Its ______________________________
(Title)

Duplicate mailed to:
(Name of Agent)
(Address)

(d) *Manner of execution.* (1) In the blank space for the name of the carrier in Forms FA1, FA2, and FA3, there must be shown, if the carrier is an individual, the individual name followed by the trade name, if any. If the carrier is a partnership, the correct names of all partners must be given, followed by the trade name, if any. If the carrier is a corporation, the correct corporate name must be used.

(2) If the carrier is an individual, the power of attorney must be signed by the individual; if a partnership, the power of attorney must be signed individually by each partner. If the carrier is a corporation, the power of attorney must be signed by the president, a vice-president or any other authorized official of the carrier. However, before the signature of an employee other than the president or a vice-president on a power of attorney will be recognized by the Commission, the carrier must file with the Commission, over the signature of the president or a vice-president, a statement reciting that the individual is authorized to sign powers of attorney. The statement must include a specimen signature of the individual or individuals so designated. The authority to sign powers of attorney may be conferred in the manner described, on more than one official of the carriers. If the carrier is being operated by trustees or receivers the power of attorney must be signed by each trustee or receiver individually or by his or their designee. Trustees or receivers may invest others with the authority to sign in the same manner as the president or vice-president of a corporation may confer the authority on subordinate officials.

(3) If the agent appointed by either FA1 or FA2 is a corporation or an unincorporated association the last full paragraph of the form shall be omitted.

(e) *Joint agents.* If an agent does not hold the requisite authority to publish a particular tariff the authority to do so may be obtained by pooling the authority held by him with that held by one or more other agents, and the tariff may be published jointly by both or all such agents in the ICC series of each. For example, if one agent has authority to publish rates only from territory A to territory B, and another agent has authority to publish rates only from territory B to territory A, the rates may be published in a single tariff on a "between" basis and filed with the Commission as a joint tariff of both agents under the ICC series of each.

(f) *Carrier acting for another carrier.* (1) A power of attorney may be given by small carriers to large carriers with which they connect, or by subsidiary to parent carriers, authorizing the large or parent carriers to publish tariffs, to give and receive concurrences, and to give powers of attorney to agents, all in behalf of the small or subsidiary carrier. The authority granted may be unlimited, as in the form which follows (Form FA3), or it may be limited in any appropriate manner, provided the limitations are specifically and unambiguously expressed in the instrument. When an FA3 form of power of attorney has been given, the granting carrier may not thereafter do in its own behalf anything which it has authorized the grantee carrier to do in its stead. Concurrences and powers of attorney given by the grantee carrier will, however, be deemed to be given on its own behalf only, unless the instrument expressly recites that it is given or is also given, in behalf of the granting carrier. An FA3 form of power of attorney will be construed as authorizing the grantee carrier to give a concurrence to itself in behalf of the granting carrier.

(2) The following form of power of attorney, Form FA3, shall be used by a carrier to give authority to another carrier. When the authority is to be limited in any way, the form should be altered to the extent necessary.

POWER OF ATTORNEY

FA3 No. —
Cancels —— No. —

————————————————
(Name of carrier)

————————————————
(Mail address)

————————————————
(Date)

Know All Men by These Presents:

That the [name of granting carrier] has made, constituted, and appointed, and by these presents does make, constitute, and appoint [name of grantee carrier] its true and lawful attorney and agent (1) to issue in its name, place and stead powers of attorney to tariff-publishing agents, (2) to give and receive in its name, place and stead concurrences in tariffs of other carriers, and (3) to publish and file, or cause to be published and filed, freight tariffs and supplements thereto and successive reissues thereof, in which the undersigned carrier is a participant, all as required of common carriers by existing laws and regulations established thereunder. And the undersigned carrier does hereby give and grant unto its said attorney and agent, full, sole and exclusive power and authority to do and perform all and every act and thing above specified for and on behalf of the undersigned carrier as fully, to all intents and purposes, as if the same were done and performed by the undersigned carrier itself and does hereby assume full responsibility for the acts and failures to act of its attorney and agent.

————————————————
(Name of carrier)
By ————————————————
Its ————————————————
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

§ 1300.19 Concurrences.

(a) A carrier desiring to become a participant in a tariff or tariffs issued by another carrier (not by an agent) may do so by filing with the Commission a limited or unlimited concurrence (except as provided in § 1300.18(f)) in one of the four following forms. In Forms FC2 and FC4 the limitations must be specifically and unambiguously expressed.

(1) Form FC1 which follows is unlimited and covers all freight tariffs applying on traffic moving from, to, via or at points on the line of the carrier giving the concurrence:

CONCURRENCE

FC1 No. —
Cancels —— No. —

————————————————
(Name of carrier)

____
(Mail address)

____
(Date)

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all freight tariffs and supplements thereto, filed by [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, and the undersigned carrier hereby makes itself a party thereto and bound thereby insofar as such tariffs apply from, to, via or at points on its lines, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

____
(Name of carrier)

By ______________________________
Its ______________________________
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

(2) Form FC2 covers freight tariffs applying on limited but affirmatively specified traffic moving from, to, via or at points on the line of the carrier giving the concurrence. The form follows:

CONCURRENCE

FC2 No. —
Cancels —— No. —

____
(Name of carrier)

____
(Mail address)

____
(Date)

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all freight tariffs and supplements thereto, filed by [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, but only to the extent that such tariffs apply:

(Here affirmatively state the limitations, such as designating the commodities to which, the points to and/or from and/or at which, the limited territory within which, or the specific publication(s) or series of tariffs to which, the concurrence shall be applicable.)

And the undersigned carrier hereby makes itself a party thereto and bound thereby insofar as such tariffs apply from, to, via or at points on its lines, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

____
(Name of carrier)

By ______________________________
Its ______________________________
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

(3) Form FC3 is restricted to freight tariffs applying on traffic moving to points on or via the line of the carrier giving the concurrence but is not otherwise limited. The form follows:

CONCURRENCE

FC3 No. —
Cancels —— No. —

____
(Name of carrier)

____
(Mail address)

____
(Date)

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all freight tariffs or supplements thereto filed by the [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, and hereby makes itself a party thereto and bound thereby, insofar as such tariffs or supplements contain rates or other provisions applying via its lines and to, but not from or at, points thereon, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

____
(Name of carrier)

By ______________________________
Its ______________________________
(Title)

Duplicate mailed to:

(Name and Title of Officer)
(Name of Carrier)
(Address)

(4) Form FC4 which follows covers freight tariffs applying on limited but affirmatively specified traffic moving to points on or via the line of the carrier giving the concurrence.

CONCURRENCE

FC4 No. —
Cancels —— No. —

(Name of carrier)

(Mail address)

(Date)

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all freight tariffs or supplements thereto filed by [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, but only to the extent that such tariffs apply:

(Here affirmatively state the limitations, such as designating the commodities to which, the points to or the lines over which the limited territory within which, or the specific publication(s) or series of tariffs to which, the concurrence shall be applicable.)

And the undersigned carrier hereby makes itself a party to such tariffs and bound thereby insofar as such tariffs or supplements contain rates or other provisions applying via its lines and to, but not from or at, points thereon, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

(Name of carrier)

By ------------------------------
Its ------------------------------
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

(b) Concurrences shall be personally signed by any official of the issuing carrier.

(c) If a carrier has been authorized by power of attorney to issue concurrences in behalf of one or more small or subsidiary carriers (see § 1300.18(f)), the carrier holding such authority may by a single instrument issue a concurrence in its own behalf and in behalf of any or all of such small or subsidiary carriers.

§ 1300.20 Filing of powers of attorney and concurrences.

(a) If a power of attorney or concurrence is issued subsequent to the date of the filing of the tariff with the Commission the original instrument shall be forwarded directly to the Commission with a copy to the issuing agent or carrier, but if it is issued prior to or concurrently with the issuance of the tariff, the original instrument may either be forwarded directly to the Commission, or it may be sent to the carrier or agent issuing the tariff and be transmitted by it or him to the Commission with the tariff. (For exceptions see §§ 1300.22 and 1300.23(a).)

(b) Powers of attorney, concurrences, amendments thereto and revocation notices shall be printed or typed on paper of good quality, 8 × 10½ inches, and must show the date on which they are issued. Each power of attorney and concurrence shall bear a form and serial number, the serial numbers to run consecutively for each form of instrument. Concurrences issued by a carrier jointly in its own behalf and in behalf of one or more other carriers (see § 1300.18(f)) may, if desired, be issued under a separate series of numbers. The form and serial numbers shall be shown on the upper right-hand corner and immediately thereunder shall be shown the form and number of the power of attorney or concurrence, if any, which is canceled thereby. If the instrument to be canceled contains more authority or is broader in scope than the new instrument, such new instrument must in addition to the date of issue, bear an effective date at least 60 days after the date on which it is received by the Commission. When the new instrument is the same or broader in scope than the instrument which it cancels, it becomes effective when filed with the Commission. The instrument shall also show, in the lower left-hand corner, the name, title and address of the person to whom the duplicate is sent.

§ 1300.21 Certificate stating correct name of carrier to be filed.

When a corporate or partnership carrier files its first tariff, power of attorney or concurrence, it shall also file a certificate stating the precisely correct name of the carrier as it appears in the charter or articles of incorporation, or in the articles of co-partnership, as the case may be. If, for example, the article "The" is a part of the carrier's name, if the conjunction "and" appears therein as "&", or if the word "Company" is abbreviated to "Co.", the certificate must so indicate.

§ 1300.22 Transfer of authority from one agent to another agent.

(a) When it is desired to transfer authority from one agent to another agent superseding the former agent as to all such agent's effective tariffs, the transfer shall be accomplished by filing a new power of attorney naming the agent (and alternate when the new agent is a natural person) thereafter to serve, which shall specifically cancel the previous instrument or instruments, by including the following in the power of attorney to the new agent:

This power of attorney cancels the following power(s) of attorney:

Power of attorney form and number	In favor of
(Insert power of attorney forms and numbers)	(Insert name of agent and alternate)

(b) Under all other conditions the power of attorney must be revoked in accordance with § 1300.26(b).

(c) The originals of such powers of attorney shall not be sent immediately to the Commission, but shall be forwarded to the new agent, who, after all the necessary instruments shall have been secured, shall file all of the originals with the Commission at one time. The new agent may file no tariffs with the Commission until the powers of attorney from all of the carriers shown therein as participants have been so filed.

§ 1300.23 Procedure when one publishing agent succeeds another.

(a) When powers of attorney have been issued to a natural person and his alternate, and death or disability of either the principal agent or the alternate occurs, new powers of attorney shall be filed with the Commission within 180 days, canceling the previous instruments and designating the new agent (and also his alternate if the new agent is a natural person) thereafter to serve. If the filing of the new instruments is occasioned by the death or disability of the former alternate, the new instruments may, if desired, continue the former principal agent and designate a new alternate only. Likewise if death or disability of the principal agent has occurred it is permissible to continue the former alternate agent in the new instruments and designate a new principal agent only. As soon as the instruments appointing the new agent are filed the alternate agent who in the interim has acted may no longer do so. The new powers of attorney shall not be forwarded directly to the Commission, but shall be collected by the new agent and forwarded to the Commission together, as provided in § 1300.22. The new agent may not file a tariff for any carrier until that carrier's power of attorney to him is on file with the Commission.

(b) In the first amendment to each tariff issued by the alternate agent after the death or disability of the principal agent, there shall be shown a statement reading substantially as follows: "On and after (show here the date on which the principal agent ceased to act) this publication shall be considered as the issue of ———, Alternate Agent."

(c) A new agent, on or after the filing of his or its authorities, shall include in the next supplement to each of the effective tariffs previously taken over by the alternate agent a statement reading substantially as follows: "On and after (show here the date on which the new authorities are filed with this Commission) this publication shall be considered as the issue of ———, Agent."

§ 1300.24 ICC numbers of tariffs issued by a new agent or alternate agent.

Tariffs issued by a new agent may be, and those issued by an alternate agent must be, numbered in the ICC series of the former agent. If it is desired to number the tariffs of a new agent in a different ICC series, this may be done as to new or reissued tariffs, but amendments (supplements or revised pages) to tariffs issued by the former agent must be continued in the original series.

§ 1300.25 Powers of attorney and concurrences in special situations.

(a) *Joint concurrences.* If joint concurrences are issued in behalf of two or more carriers by the same traffic officer, all concurrences in each series must be issued on behalf of all such carriers, except as to concurrences interchanged between those carriers. If concurrences in a single series are issued separately for different carriers, separate files in that series must be maintained for each carrier, and concurrences of each carrier must be issued in consecutive numerical order as required by § 1300.20(b).

(b) *When operation discontinued or taken over by another carrier.* Powers of attorney and concurrences issued in favor of a carrier which has discontinued operations should be revoked within 120 days after such discontinuance. If its operations have been taken over by another carrier all effective powers of attorney and concurrences should be canceled within 120 days either by new issues or revocation notices.

NOTE: § 1300.25(b) applies, among other situations, when an incorporated carrier is placed in the hands of trustees or receivers and is thereafter reorganized. When trustees or receivers are appointed they normally assume, and the corporation discontinues, operations; and thereafter, following reorganization, operations again pass from the receivers or trustees to the reorganized corporation.

(c) *Forms for joint rail-motor tariffs.* Powers of attorney and concurrences authorizing the publication of joint rail-motor tariffs and supplements shall be issued on the standard FA and FC Forms described in §§ 1300.18 and 1300.19. Such powers of attorney and concurrences must bear the following notation in the upper portion of the document: "Joint Rail-Motor Power of Attorney" or "Joint Rail-Motor Concurrence."

§ 1300.26 Amendment and revocation of powers of attorney and concurrences.

(a) *Amendments.* (1) A power of attorney on Forms FA2 or FA3 or a concurrence on Forms FC2 or FC4 may be amended by issuing an "Amendment to Power of Attorney," or "Amendment to Concurrence," respectively. However, only four amendments to any one power of attorney or concurrence will be permitted. The amendment must specify with particularity the exact change in the scope of the powers or the authority conferred, by appropriate reference by number to the power of attorney or concurrence affected, by identification by ICC and agent's or carrier's number of the tariff or tariffs affected, and by a detailed description of the traffic or territory affected.

(2) If an amendment to a power of attorney or to a concurrence reduces the scope of the original instrument, such amendment must bear in addition to the date of issue, an "effective" date at least 60 days after the date on which it is received by the Commission. If the amendment adds to or increases the scope of the original power of attorney or concurrence, no notice is required, and it becomes effective when filed with the Commission. (See paragraph (e) of this section.)

(3) The form of an "Amendment to Power of Attorney" is as follows:

AMENDMENT TO POWER OF ATTORNEY

Amendment No. —
To FA No. —

____
(Name of carrier)

____
(Mail address)

____
(Date)

Know All Men by These Presents:

Effective ———— (date), the undersigned hereby amends the above-numbered power of attorney, in the following respects:

____

____
(Name of carrier)

By ________________________________
Its ________________________________
(Title)

Duplicate mailed to:
(Name of Agent or Carrier)
(Address)

(4) The form of an "Amendment to Concurrence" is as follows:

AMENDMENT TO CONCURRENCE

Amendment No. —
To FC — No. —

____
(Name of carrier)

____
(Mail address)

____
(Date)

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423.

The undersigned hereby amends FC — No. — in the following respects:

____

____
(Name of carrier)

By ________________________________
Its ________________________________
(Title)

Duplicate mailed to:
(Name of Carrier)
(Address)

(b) *Revocations.* A power of attorney or a concurrence may be revoked upon not less than 60 days' notice by filing a Notice of Revocation with the Commission and serving at the same time a copy thereof on the agent, in the case of powers of attorney on Forms FA1 and FA2, or on the carrier, in the case of concurrences or powers of attorney on FA3, in whose favor the instrument was executed. Such notice shall not bear a separate serial number, but shall specify the form and number of the power of attorney, or the form and number of the concurrence, to be revoked, shall name the agent, and alternate agent, if any, or the carrier in whose favor the instrument was executed, and shall specify a date upon which revocation is to become effective. (See paragraph (e) of this section.)

(c) *Corresponding revision of tariff.* When a power of attorney or concurrence is revoked corresponding revision of the tariff or tariffs must be made not later than the effective date stated in the notice of revocation. If the tariff or tariffs are not so amended the rates and other provisions therein remain effective and must be protected by the carrier or carriers responsible for their continued maintenance.

(d) *Form for revocations.* Revocation notices shall be in one of the following forms, as appropriate:

REVOCATION NOTICE

(Power of Attorney)

____
(Name of carrier)

____
(Mail address)

____
(Date)

Know All Men by These Presents:

Effective ———— (date), power of attorney FA ——— No. ———, issued by

____
(Name of carrier issuing power of attorney)
in favor of ________________________________

____
(Name of carrier, or agent (an alternate), if any) is hereby canceled and revoked.

____
(Name of carrier)

By ________________________________

Its ________________________________
(Title)

Duplicate mailed to:
(Name of Agent or Carrier)
(Address)

REVOCATION NOTICE

(Concurrence)

————————————————————
(Name of carrier)

————————————————————
(Mail address)

————————————————————
(Date)

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423.

Effective ———— (Date) concurrence FC ———— No. ————, issued by

————————————————————
(Name of carrier issuing concurrence) in favor of ————————————
(Name of carrier)
is hereby canceled and revoked.

————————————————————
(Name of carrier)
By ————————————————
Its ————————————————
(Title)

Duplicate mailed to:
(Name of Carrier)
(Address)

(e) *Manner of execution.* (1) An amendment to, or a revocation of a power of attorney shall be executed in the same manner as powers of attorney, and a statement of the kind specified in § 1300.18(d) shall be filed with the Commission to designate persons authorized to sign such amendments or revocations. The statement filed in accordance with § 1300.18(d) may include in the one instrument designations and specimen signatures of persons authorized to sign powers of attorney, amendments to powers of attorney, and revocations of powers of attorney.

(2) An amendment to, or a revocation of a concurrence shall be executed in the same manner as concurrences. (See § 1300.19(b).)

§ 1300.27 Intermediate application of rates.

Tariffs may provide for the application of class or commodity rates from or to intermediate points (except for account of irregular-route motor carriers) by incorporating in such tariffs the appropriate one or more of the rules set forth below, subject to the limitations of this section.

(a) *Intermediate rules to be used only where routing is provided.* Effective on and after June 10, 1959, an intermediate point rule may not be published so as to result in establishing from (or to, as the case may be) an intermediate point, a rate from (or to) a more distant point unless the tariff contains specific routing instructions showing definitely in accordance with the plan listed in paragraph (k)(1)(i) of § 1300.4 the routes through the intermediate point over which the rate from (or to) the more distant point applies.

(b) *Intermediate point commodity rate rules*—(1) *From intermediate points.* Subject to the provisions of notes 1, 2, 3, and 4 in this paragraph from any point of origin from which a commodity rate on a given article to a given destination and via a given route is not named in this tariff, which point is intermediate to a point from which a commodity rate on said article is published in this tariff via a route through the intermediate point over which such commodity rate applies to the same destination, apply from such intermediate point to such destination and via such route the commodity rate in this tariff on said article from the next point beyond from which a commodity rate is published herein on that article to the same destination via the same route.

NOTE 1: When by reason of branch or diverging lines there are two or more "next beyond" points, apply the rate from the next point beyond (in this tariff) which on that article to the same destination via the same route results in the lowest charge.

NOTE 2: If the intermediate point is located between two points from which commodity rates on the same article via the same route are published in this tariff, apply via that route from the intermediate point the rate from the next point in either direction which results in the higher charge. In applying this note, if there are two or more next beyond points due to branch or diverging lines, eliminate all such next beyond points except the point from which the lowest charge is applicable.

NOTE 3: If the class rate on the same article via the same route from the intermediate point produces a lower charge than would result from applying the commodity rate under this rule, such commodity rate will not apply.

Note 4: If there is in any other tariff a commodity rate on the same article from the intermediate origin point applicable over the same route to the same destination, the provisions of this rule are not applicable from such intermediate origin point.

(2) *To intermediate points.* Subject to the provisions of notes 1, 2, 3, and 4 in this subparagraph, to any point of destination to which a commodity rate on a given article from a given point of origin and via a given route is not named in this tariff, which point is intermediate to a point to which a commodity rate on said article is published in this tariff via a route through the intermediate point over which such commodity rate applies from the same point of origin, apply to such intermediate point from such point of origin and via such route the commodity rate in this tariff on said article to the next point beyond to which a commodity rate is published herein on that article from the same point of origin via the same route.

Note 1: When by reason of branch or diverging lines, there are two or more "next beyond" points, apply the rate to the next point beyond (in this tariff) which on that article from the same point of origin via the same route results in the lowest charge.

Note 2: If the intermediate point is located between two points to which commodity rates on the same article via the same route are published in this tariff, apply via that route to the intermediate point the rate to the next point in either direction which results in the higher charge. In applying this note, if there are two or more next beyond points due to branch or diverging lines, eliminate all such next beyond points except the point to which the lowest charge is applicable.

Note 3: If the class rate on the same article via the same route to the intermediate point produces a lower charge than would result from applying the commodity rate under this rule, such commodity rate will not apply.

Note 4: If there is in any other tariff a commodity rate on the same article to the intermediate destination point applicable over the same route from the same point of origin the provisions of this rule are not applicable to such intermediate destination point.

(c) *Intermediate point class-rate rules.* Class rates should be provided between practically all points and there appears little occasion for the employment of intermediate point rules in connection with class rates except for the purpose of establishing rates from and to newly established stations. For this purpose only the following clause may be shown in tariffs for use in connection with class rates: "From or to any point not named in this tariff which is intermediate to a point from (or to) which class rates are published herein through such unnamed point, apply from (or to) such unnamed point the class rate published herein from (or to) the next more distant point."

(d) *"From" and "to" rules may apply in connection with same rate.* When the rules providing application from and to intermediate points are both shown in connection with any class (or commodity) rate, they establish class (or commodity) rates from intermediate points of origin to intermediate points of destination on such classes (or commodities). Concurrences are not posted at stations and their provisions are not published in tariffs. Unless otherwise provided in the tariff intermediate application rules establish rates from (or to) intermediate points on the lines of carriers parties to the tariff without regard to the concurrence forms and numbers under authority of which carriers are shown as participating carriers.

(e) *Application of rules may be restricted.* Tariffs may by appropriate application published in connection with one or more of such rules, provide that they apply only in connection with the rates or routes making reference thereto, or may provide for the nonapplication of such rule or rules to particular rates or routes.

(f) *Wording of rules not to vary.* The wording of the above rules may not be varied, except that (1) in tariffs containing alternative sections the rules may be modified by substituting the words "in this section" for the words "in this tariff" wherever they appear. If this is done such rules must be published in each section of tariff in which they are to apply and may not be published elsewhere in the tariff; or (2) when it is desired to alternate the rates in any section of a tariff with the rates made only by use of an intermediate point rule applicable in connection with rates in another section, such intermediate rule must be published in a separate section and must be modified by changing the words "this tariff" to read "Section No. ———" (here insert number of the section which contains the points and rates in connection with which the intermediate rule is to be used). The provisions of this paragraph do not waive the requirements of § 1300.7(b).

§ 1300.28 Tariff notations in connection with fourth section orders.

(a) *When relief from long-and-short haul provision is granted.* (1) When the Commission has issued an order granting to a carrier authority to depart from the provisions of the amended fourth section of the act and to charge higher rates for shorter than for longer distances over the same line or route, the title page of each tariff or supplement issued and filed under such authority must bear the following notation:

> This tariff (or supplement) contains rates that are higher for shorter than longer distances over the same route. Such departure from the terms of the amended fourth section of the Interstate Commerce Act is permitted by authority of Interstate Commerce Commission fourth section order (or orders), as indicated in individual items herein.

(2) In connection with the item or items containing the rates as to which such authority has been granted, specific reference to the Commission's fourth section order number and date must be given, except that in instances where all of the rates in the tariff or supplement are covered by one fourth section order reference to the number and date thereof may be shown on the title page. When a general fourth section order is referred to, the particular section thereof granting such authority must be shown in addition to the order number.

(b) *When relief from aggregate of intermediate provision is granted.* (1) When the Commission has issued an order granting to a carrier authority to depart from the provisions of the amended fourth section of the Act and to charge rates higher than the aggregate of the intermediate rates subject to the act, the title page of each tariff or supplement issued and filed under such authority must bear the following notation:

> This tariff (or supplement), contains rates that exceed the aggregates of the intermediate rates subject to the Interstate Commerce Act. Such departure from the terms of the amended fourth section of the Act is permitted by authority of Interstate Commerce Commission fourth section order (or orders), as indicated in individual items herein.

(2) In connection with the item or items containing the rates as to which such authority has been granted, specific reference to the Commission's fourth section order number and date must be given, except that in instances where all of the rates in the tariff or supplement are covered by one fourth section order, reference to the number and date thereof may be shown on the title page. When a general fourth section order is referred to, the particular section thereof granting such authority must be shown in addition to the order number.

(c) *When relief is denied.* When the Commission has denied authority to carriers to continue existing departures from the provisions of the amended fourth section of the act, but has not prescribed specific rates in lieu of those existing, and it becomes necessary for carriers to publish and file rates in full conformity with the provisions of that section, the rates so filed have not been approved by the Commission. Tariffs or supplements in which they are published should not indicate that they are prescribed by, or are in compliance with an order of the Commission. If desired, however, a clause reading substantially as follows may be shown:

> Issued to bring rates into conformity with the provisions of the fourth section of the Interstate Commerce Act following the issuance by the Interstate Commerce Commission of its fourth section order No. ——— of ——— (date), denying carriers' application.

(d) *Fourth section not waived.* Nothing in this section may be construed as waiving any of the provisions of the amended fourth section of the Interstate Commerce Act.

§ 1300.29 Letter of transmittal.

(a) All tariffs and supplements filed with the Commission shall be accompanied by a letter of transmittal of one sheet 8 by 10½ inches in size, in form substantially as follows:

[Corporate name of carrier in full]

GENERAL FREIGHT DEPARTMENT,
[Post-office address]
————————, 19—.

Transmittal No. ————————————
To THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C., 20423.

Accompanying schedule is sent you for filing in compliance with the requirements of the Interstate Commerce Act, issued by ——— and bearing ICC No. ———; Supp. No. ——— to ICC No. ———; revised page to ICC No. ———; effective ———, 19———; and is concurred in by all carriers named therein as participants under continuing concurrences or authorizations now on file with the Interstate Commerce Commission, except the following-named carriers, whose concurrences are attached hereto:

———————————————————————

———————————————————————

———————————————————————

.... [Sig.]
.... [Title.]

(b) A separate letter may accompany each schedule, or the form may be modified to provide for filing under one letter as many schedules as can be conveniently entered. Separate letters must be used for freight and passenger schedules.

NOTE: If receipt for accompanying schedule is desired the letter of transmittal must be sent in duplicate, and one copy showing the date of receipt by the Commission will be returned to the sender.

§ 1300.30 Transmission of publications to subscribers.

(a) Except as otherwise authorized in paragraphs (b) and (d) of this section, one copy of each new tariff, supplement, and loose-leaf page must be transmitted to each (subscriber) thereto by first-class mail (or other means requested in writing by subscriber) not later than the time the copies for official filing are transmitted to the Commission. The letter of transmittal accompanying the copies to the Commission must contain the following certification:

I hereby certify that I have on or before this day sent one copy of each publication listed hereon to each subscriber thereto by first-class mail, or by other means of transmission agreed upon in writing by the subscriber.

———————————————————————
Signature of person
transmitting publication(s)

———————————————————————
Date

(b) If a new tariff or supplement is filed which in its entirety is published under an authority from this Commission to publish and file without notice or on notice of less than ten days, or if a new loose-leaf page is filed which contains a provision published under an authority from this Commission to publish and file without notice or on notice of less than ten days, paragraph (a) of this section need not be complied with as to such publication if it cannot be or compliance would cause excessive delay, but one copy of such publication must be transmitted to each subscriber thereto by first-class mail (or other means requested in writing by subscriber) within five calendar days, starting with the calendar day following that on which the copies for official filing are transmitted to the Commission, and the letter of transmittal to the Commission must contain the following certification:

I hereby certify that I will within five calendar days after today send one copy of each publication listed hereon to each subscriber thereto by first-class mail, or by other means of transmission agreed upon in writing by the subscriber.

———————————————————————
Signature of person
transmitting publication(s)

———————————————————————
Date

Included in this exception are supplements issued for the purpose of announcing suspensions made by the Commission, publications (published in the name of a carrier only) announcing adoptions, and publications reproducing service orders.

(c) When copies of different publications are transmitted to the Commission at the same time, some copies of which have been transmitted to subscribers in compliance with paragraph (a) of this section and some copies of which will be transmitted to subscribers in compliance with paragraph (b) of this section, two letters of transmittal must accompany the copies to the Commission, one complying with paragraph (a) of this section and the other complying with paragraph (b) of this section.

(d) If there are no subscribers to any publication listed on a letter of transmittal accompanying the copies for official filing to the Commission, the letter of transmittal must contain the following certification:

I hereby certify that there are no subscribers to the publication(s) listed hereon.

____
Signature of person
transmitting publication(s)

____
Date

If copies of different publications are transmitted to the Commission at the same time, some of which are subscribed to and some of which are not, only the provisions of paragraphs (a) or (b) of this section, or both, as the case may be, need be complied with.

(e) Expedited service (when transmitting one copy of each publication) must be provided to each subscriber requesting it. The cost of this service may be passed on to the subscriber.

(f) Carriers and agents shall furnish without delay one copy of any of their tariff publications, effective or published but not yet effective, to any person upon reasonable request therefor at a reasonable charge not to exceed that assessed a subscriber.

(g) As used herein, the term "subscriber" means a party who voluntarily or upon reasonable request is furnished at least one copy of a particular tariff and amendments thereto (including reissues thereof) by the publishing carrier or agent. The term does not, however, pertain to requests for a copy or copies of a tariff without a request for future amendments thereto.

[40 FR 7654, Feb. 21, 1975, as amended at 40 FR 25678, June 18, 1975]

§ 1300.31 ICC numbering systems.

(a) *Compliance.* Until January 1, 1977, every tariff must bear either an I.C.C (or ICC) number or a standard ICC designation as set forth in paragraphs (b) and (c), respectively, of this section. Every tariff on file with this Commission on that date and every tariff which is indicated to become effective after that date must bear a standard ICC designation as set forth in paragraph (c) of this section. Conversion from the consecutive I.C.C (or ICC) system to the standard ICC designation system shall be accomplished in the manner set forth in paragraph (d) of this section.

(b) *I.C.C. (or ICC) numbers.* The I.C.C. (or ICC) numbers shall run consecutively beginning with the next consecutive number in the existing series or, if no tariffs have been issued previously, beginning with I.C.C. (or ICC) No. 1.

(c) *Standard ICC designation.* (1) The standard ICC designation shall be constructed by use of the characters "ICC," by use of a unique standard carrier or agent code consisting of a maximum of four (if a carrier) and three (if an agent) alphabetical characters, and by use of a standard tariff number assigned according to the type of tariff, and in that order. For example, the standard ICC designation on a tariff of a carrier to whom has been assigned the code ABCD, which tariff has been given the number 2000 by the carrier, would be "ICC ABCD 2000." On a tariff issued by an agent, the designation will be the same except the code will consist of a maximum of three characters instead of four. For example:

[ICC ABC 2000]

(2) The codes will be assigned by this Commission. Only one code will be assigned to each carrier (even if carrier is of more than one mode) or agent. Each code will be unique for the carrier or agent to which it is assigned and may not be used by any other, regardless of mode. Each carrier or agent must use only the code assigned thereto and may not use any other. A carrier or agent may request that it be assigned a specific code (regardless of

whether or not one has been previously assigned), which must be appropriate and not duplicate any other. The first two letters must relate to the carrier's or agent's name. "A," "An," or "The" forming part of the name of the carrier or agent should not be considered when requesting a code. A court appointed receiver, trustee, et cetera, who assumes possession and operating control of a carrier's lines, whether in part or in whole, shall use the old carrier's code. In all other cases where the name of a carrier is lawfully changed or the operating control of a carrier's properties is lawfully transferred in whole or in part to another party under authority of an order of this Commission, and the regulations in this part require the filing of an adoption notice, the code of the new carrier shall be used on the adoption notice and on all tariffs filed in the name of the new carrier. (Where there is a change in name of the carrier or agent without a change in ownership of a carrier or identity of an agent, a new code must be assigned unless retention of the same code is authorized by the Commission.) A code which has been previously but is no longer assigned may be reassigned after its prior assignment has been canceled for at least 5 years. All requests for codes shall be in writing. All inquiries pertaining to codes shall be addressed:

Interstate Commerce Commission, Bureau
of Traffic—Special Permission Board,
Washington, D.C. 20423.

(3) A standard tariff number assigned to a tariff filed in the name of a rail carrier or its agent shall consist of four digits. The first digit shall conform to the following grouping:

First digit of standard tariff numbers to be assigned to types of tariffs listed opposite thereto	*Types of tariffs to which the first digits listed opposite thereto are to be assigned.*
1	Class rate tariffs.
2	Class exceptions tariffs.
3	General commodity rate tariffs (i.e., numerous unrelated commodities).
4	Specific commodity rate tariffs (e.g., iron or steel articles).
5	Routing guide tariffs.
6	Governing tariffs (all kinds).
7	TOFC and COFC class and/or commodity rate tariffs.
8 or 9	Miscellaneous tariffs (e.g., switching, special service, terminal service, et cetera).

When a tariff, because of the provisions it contains, could be construed as being of more than one type, the governing factor in assignment of the digit will be the category that represents the principal portion of the contents or that which signifies its primary purpose.

(4) A standard tariff number assigned to a tariff filed in the name of other than a rail carrier or its agent shall consist of either three of four digits. The grouping of the numbers shall be established by the carrier or agent according to the particular types of tariffs involved, and the number assigned to a tariff must conform to that grouping.

(5) The assigned number will remain the same from reissue to reissue of the tariff. A new tariff, not a reissue, shall not show a letter suffix following the tariff number, and the first reissue of it shall show the letter suffix A, the next reissue B, and so on until Z, following which the letter suffix A will again be used and the process repeated. In the example, the first reissue of tariff ICC ABCD 2000 would be ICC ABCD 2000-A, the next reissue ICC ABCD 2000-B, and so on. Where the ICC number on a tariff is changed to a standard ICC designation, there may be no letter suffix; or as an alternative, any letter suffix may be used, and reissues proceeding from there alphabetically. A carrier or agent may not on any of its tariffs provide a tariff number for its own purpose that is different in any respect from that used in the ICC designation, and whole numbers (not fractional or decimal) must be employed. The purpose is to dispense with and prohibit dual systems of numbering any tariff.

(6) A standard tariff number which has been previously but is no longer assigned and used on an effective tariff may be reassigned after the last tariff to which it was assigned has been canceled for at least 5 years.

(7) When a carrier or agent adopts the standard ICC designation system and obtains a code from the Commission, it must continue to use such system and file no new tariffs using the ICC consecutive numbering system. The ICC designation of a tariff which employs this system may not be changed.

(8) Tariff indexes containing the old ICC numbers of indexed tariffs shall be corrected to show the new ICC designation not later than 90 days from the effective date of the changeover of the particular tariff series in each case.

(9) Any tariff which refers to another as a governing publication or otherwise, using the standard ICC designation in such reference must clearly spell out the name of the carrier or agent whose tariff it is, or under the Explanation of Abbreviations or other appropriate place in the tariff explain the code as to the name of carrier or agent for which it stands.

(10) Tariffs that use numerical or alphabetical codes to identify carriers in connection with routing, participating carrier lists, et cetera, must convert such codes to the standard carrier codes not later than January 1, 1978.

(11) In applying the regulations in this part and in Part 1301 of this chapter in connection with tariffs converted to the new system (see paragraph (d) of this section), any reference to "ICC number" shall be construed to apply equally to "ICC designation."

(d) *Conversion to new system.* (1) Each carrier or agent must obtain its standard code from this Commission before it adopts the standard ICC designation system. A carrier or agent may elect to convert to the standard system only as each tariff is reissued, or a new one (not a reissue) is published, or in the alternative to convert all its existing tariffs at one time. In any event, all tariffs, except as otherwise provided in § 1300.31(c)(10), must be converted by January 1, 1977. If all existing tariffs are converted at one time, the notice of the conversion in each tariff shall be made by special supplement. Such supplement shall contain no other matter, shall not be canceled, shall be considered exempt from the supplemental limitations in this part for the life of the tariff involved, and shall be shown as a supplement to the old I.C.C. (or ICC) designation. The supplement may be published on not less than 1 day's notice, and shall contain a notice reading substantially as follows:

NOTICE OF CHANGE OF ICC NUMBER

Effective (here show date which is next following the general effective date of the supplement) the ICC designation of this tariff, as heretofore amended, is changed to (here show new tariff designation). All amendments to this tariff will hereafter use the new designation.

Any reference in any other tariff to this tariff by the old ICC designation superseded hereby shall be construed as referring to the changed designation.

(2) Any reference in one tariff to another tariff by its old ICC number, after such referred-to tariff has been reissued or converted using the standard ICC designation system, must be corrected by publication(s) filed within 60 days of the effective date of the changed designation. Such references may be corrected upon not less than 1 day's notice. A supplement issued to a bound tariff for the purpose of effecting such correction, and containing no other matter, may be issued and maintained without regard to the supplemental matter limitations of this part. If the corrections as to any particular bound tariff would require more than one page of tariff matter, corrections may be made by "Amendment to . . ." an item or other tariff unit provided the supplement contains only such corrective matter and is retained as a separate effective supplement (not reissued) for the life of the tariff or until all affected amended tariff items or units are reissued. Use of blanket form of supplement (a common supplement to two or more tariffs) to bound tariffs is authorized subject to the same conditions set forth in this paragraph.

(3) A loose-leaf tariff may only be changed to the standard ICC designation system, without complete reissue, by issuance of the supplement authorized in this paragraph plus a revised title page (effective the same date as the supplement and upon the same

notice), subject to the further condition that the new title page and each new or revised page issued thereafter shall show in connection with the standard ICC designation the words "Formerly ICC" followed by the old number.

(4) Tariffs (not supplements or loose-leaf page revisions) which are completely compiled and in the hands of the printer for publication, not filed, at the time of the complete changeover by a carrier or by an agent, which bear the old-type ICC designation, may be filed if accompanied by the supplement authorized in this paragraph and (in the case of a loose-leaf tariff) by revised title page, and the circumstances explained in the letter of transmittal accompanying the filing.

(5) When a tariff filed in the names of two or more agents is converted, the conversion must become effective on the same date for all the agents involved.

[40 FR 36351, Aug. 20, 1975]

§ 1300.51 Movement of shipments refused by consignees.

(a) Subject to the limitations in this section, rules (1) providing that shipments which are refused by consignee may be reconsigned and forwarded to a new destination under application of the through rate from point of origin to final destination, either with or without the exaction of a reconsignment charge, or (2) providing for the return of shipments (or portions of shipments) refused by consignee to point of origin at free or reduced rates, are permissible.

(b) For the purposes of this section shipments (or portions of shipments) in closed packages that have been accepted without examination by the consignee may be considered as refused if delivered to the carrier with 10 days for return to point of origin because of damage in transit that could not be determined before acceptance of the shipment.

(c) Such rules must provide that if reconsignment or forwarding to a new destination is permitted, the through rate to be applied shall be that in effect from point of origin to final destination through the point of reconsignment or reforwarding, and if return to point of origin is permitted such return must be made over the route over which the shipment moved to the original destination. Such rules must be published in tariffs and must be so worded and applied as to be free from unjust discrimination and to avoid abuse or improper practices thereunder. The practice of forwarding to a new destination or returning at reduced rates articles that have been delivered into the possession of consignees and have become shopworn or have gotten into a state of disrepair through use is neither proper nor free from unjust discrimination.

(d) Where a shipment is refused and is left on the hands of the carrier, it is believed that the carrier, when it recognizes its responsibility for the value of the shipment and the transportation charges on same, may haul it for itself to such point on its own lines as offers the best opportunities or facilities for disposing of it to advantage, just as it may haul property of its own.

§ 1300.52 Responsibilities of carriers under tariffs.

(a) The Commission's tariff regulations require that the carrier or agent that issues a joint tariff shall, before issuing same, have secured definite and affirmative authority from every carrier shown therein as a participant, and shall show in connection with the name of each participating carrier the form and number of the instrument by authority of which that carrier is made a party to the tariff.

A carrier has no means of preventing another carrier from naming it as a party to a joint tariff without proper authority so to do, or of preventing another carrier from exceeding the authority conferred by a limited concurrence. It can not, however, be bound by such unauthorized act and it is its obvious duty to refuse to recognize or apply any such unlawful issue. It should also at once call the attention of the Commission and of the one that issued the tariff to such erroneous action.

(b) If one or more carriers are, without proper authority, so shown as participating in any tariff and other carriers are lawfully shown as parties thereto, the use of the publication is unlawful as to the carriers that are named as parties thereto without proper authority and lawful as to those that are parties to it under proper authority. The carrier over whose line shipments are sent under a joint tariff is bound by the terms of that tariff if it has lawfully concurred therein, and, if it has not lawfully concurred therein, may not accept earnings in accordance therewith, but must demand for the service performed its lawful earnings according to its lawful tariffs.

(c) Responsibility and liability for the unlawful incorporation of any carrier in a tariff, or for exceeding the authority conferred by a limited concurrence, will rest wholly upon the carrier that issued the tariff.

§ 1300.53 Withdrawal of filed tariffs not permitted.

Not infrequently the Commission is requested to return to carriers tariff publications which have been forwarded to the Commission for filing or which have been received by the Commission in the ordinary course of business. Such requests are usually based on the desire to substitute some corrected or changed publication for the one that has been filed. To surrender publications duly filed and permit the substitution of others would involve falsification of the records, which cannot be permitted. Tariff publications received for filing will not be returned unless rejected because of failure to give lawful notice of changes.

§ 1300.54 Changes in rates.

Section 6(3) of the act, as amended, provides that:

> No change shall be made in the rates fares, and charges or joint rates, fares, and charges which have been filed and published by any common carrier in compliance with the requirements of this section, except after 30 days' notice to the Commission and to the public published as aforesaid, which shall plainly state the changes proposed to be made in the schedule then in force and the time when the changed rates, fares, or charges will go into effect; and the proposed changes shall be shown by printing new schedules, or shall be plainly indicated upon the schedules in force at the time and kept open to public inspection.

(a) *Effectiveness; notice of change.* This provision plainly refers to rates which have already become effective, and also applies the term "proposed changes" to rates which have not become effective. It follows that after notice of a change in rates has been published and filed the new rates must be allowed to go into effect, and cannot be changed, withdrawn, or canceled for at least 30 days after the date when the rates have become effective except as otherwise specifically authorized by rule, decision, or order of the Commission. A tariff may provide that it will expire with a date specified therein and which is at least 30 days subsequent to the date upon which it becomes effective, or a tariff may contain a notation that certain rates therein stated will expire with a date specified which is at least 30 days subsequent to the date upon which such rates become effective, and this will be legal notice of the cancellation or withdrawal of such tariff or of such rates. A provision in a tariff or supplement that the same or any part thereof will expire with a given date is not a guaranty that the tariff, or supplement, or such part thereof, will remain effective until and including that date. Such provision must be understood to mean that the tariff, or supplement, or specified part thereof, will expire with the date named unless sooner canceled, changed, or extended in lawful way. (See § 1300.3(g).)

(b) *Commission may allow exception.* Carriers must comply fully with the requirements of the law respecting the publication, filing, and taking effect of proposed rates, unless upon application and for good cause shown, the Commission, in the exercise of authority conferred upon it, shall allow rates to be changed or withdrawn upon less than 30 days' notice, or by formal order otherwise modify such requirements. No rule decision, or order of the Commission is authority to change rates or issue tariffs on less than statutory notice unless so specifically provided in the rule, decision, or order. (See § 1300.14(f).)

§ 1300.55 Legal rate.

(a) *Rate named from origin to destination only legal rate.* When a rate, whether local or joint, from point of origin to destination, has been established via a route, it becomes the only legal rate for through transportation via that route, whether it is greater or less than the aggregate of intermediate rates.

(b) *Combination rate.* (1) If no rate is named from point of origin to destination of a shipment via the route of movement, the lowest combination of rates applicable via the route of movement is the legal rate.

(2) A combination rate for a through shipment must be treated as a unit from point of origin to final destination, and the rate applied must be the combination of the factors in effect on the date the shipment was accepted for transportation at point of origin. All of the conditions applicable to each factor in such combination rate for through shipment in effect on the date the shipment was accepted for transportation at point of origin must be observed and can not be varied as to that shipment during the period of its transportation to final destination.

(c) *Back-haul unnecessary.* If, in applying combination rates on a through shipment, the shipment moves from a point of origin (or to a point of destination) intermediate to a base point upon which the lowest combination makes, or moves via a junction point which the lowest combination makes, or moves via a junction point with connecting or branch line intermediate to the base point upon which the lowest combination makes, such combination must be applied; and it is not necessary to haul the shipment to such base point and back again through (or to) such intermediate point of origin (or destination), or such intermediate junction point: *Provided,* (1) That the rates used in such combination are applicable over the route the shipment would have moved had it been hauled to the base point and back again over the same route; and (2) That compliance with routing instructions will permit movement to the base point and back again over the same route.

NOTE: This section does not authorize equalizing via one route or gateway the combination of rates applicable over another route or via a different gateway, and does not confer any authority to depart from the provisions of the fourth section of the act, which prohibits higher charges for shorter than for longer distances over the same route and higher charges than the aggregate of the intermediate rates over the same route. It must also be understood that in a case where the lowest combination of rates makes on a base point as to which the point of origin or of destination is directly intermediate, a specific rate to or from such point that is higher than such combination is included in the Commission's ruling that a through rate that is higher than the combination of intermediate rates between the same points is prima facie unreasonable. It must be further understood that in applying the lowest combination authorized in this section the Commission expresses no opinion as to the reasonableness of a rate so constructed.

§ 1300.56 Reduction of rate to equal the aggregate of the intermediate rates.

(a) Section 4 of the act, as amended, prohibits the charging of any greater compensation as a through rate than the aggregate of the intermediate rates that are subject to the act. The Commission has frequently held that through rates which are in excess of the sum of the intermediate rates between the same points via the same route are prima facie unreasonable. Many informal complaints are received in connection with regulary established through rates which are in excess of the sum of the intermediate rates between the same points. The Commission has no authority to change or fix a rate except after full hearing. It is believed to be proper for the Commission to say that if called upon to formally pass upon a case of this nature it would be its policy to consider a rate which is higher than the aggregate of the intermediate rates between the same points via the same route as prima facie unreasonable and that the burden of proof would be upon the carrier to defend such unreasonable rate.

(b) Where a rate is in effect by a given route from point of origin to destination which is higher than the aggregate of intermediate rates from and to the same points, by the same or another route, such higher rate may, on not less than 1 day's notice to the public and the Commission, be reduced to the actual aggregate of such intermediate rates. Such reduced rate must be published in a supplement to or a reissue of the tariff in which the rate so reduced appears; except that if the rate to be reduced is published in a tariff containing class rates only and the reduced rate is to be published as a commodity rate the reduced rate must be published in a commodity tariff or supplement thereto. Any tariff or supplement containing a rate reduced under authority of this section must bear on its title page, or in connection with such item, the notation "Issued on 1 day's notice under authority of rule 56 Interstate Commerce Commission Tariff Circular 20 (§ 1300.56). The rate (or rates) hereby reduced appears in ——— Tariff ICC ———, item (or page) ———, and the factors to and from ———— (here insert point or points on which combination makes) used in making the new rate (or rates) are found in ———, Tariff ICC No. ———, item (or page) ———, and ——— Tariff ICC No. ———, item (or page) ———."

(c)(1) In order to facilitate the publication of rates which will be in accord with the aggregate of intermediates provision of the fourth section of the act the following rule may be incorporated in tariffs:

> Carriers have endeavored to publish herein rates which do not exceed the aggregate of the intermediate rates between points between which there is an actual movement of traffic, but if there should be in this tariff any rate which is in excess of the aggregate of intermediates, or if through subsequent change in an intermediate factor any rate in this tariff becomes higher than the aggregate of intermediates in violation of the provisions of the fourth section of the Act, carriers will reduce such rates to the aggregate of the intermediate rates on 1 day's notice under authority of rule 56 of Interstate Commerce Commission Tariff Circular 20, on any commodity between points between which there is a movement or a prospective movement of that commodity. The publication of such reduced rate will be made within 30 days after such unlawful rate comes to carriers' notice
>
> Carriers, parties to this tariff, whose rate over the route of movement is higher than the aggregate of the intermediates over that route, further agree that on any shipment on which the higher rate named in this tariff for that route has been charged, application will be made promptly to the Interstate Commerce Commission for authority to award reparation on the basis of the aggregate of intermediates in effect on date of shipment. (See note.)
>
> NOTE: Carriers or shippers who discover combinations which result in lower charges than the rates named herein, should promptly report such cases to the publishing agent of his tariff, showing the through rate and the item or page where it is found together with the separate factors which make up the combination, giving tariff reference by item or page, where possible, for each.

(2) In placing this rule in tariffs carriers must strictly adhere to the wording of the rule as no modification thereof will be permitted.

(3) The failure to publish and file reduced rates as provided in this part, within 30 days from the date that said rates are brought to the attention of the carriers parties thereto, or any of them, or their agents, will be considered by the Commission as sufficient ground for the issuance of an order prohibiting its use in connection with such carrier or carriers. A promise to publish certain rates, when published in a tariff, becomes the rule of the carriers parties to the tariff and therefore when a carrier or agent has been called upon to reduce rates under authority of the above rule it will not be necessary for such carrier or agent to secure any additional authority from the carriers parties to the tariff for the publication of the reduced rates and any delay on that account may cause carriers, to incur the penalties provided for violations of the fourth and sixth sections of the act in addition to losing the right to use the rule in tariffs.

§ 1300.57 Newly constructed lines of road and pipe lines and newly established service via water carriers.

(a) *Rates from, to, or via newly constructed lines.* Charges applicable at, and rates, charges, classifications, rules or regulations applicable from, to, or via points on newly constructed lines of road, including spur and industrial tracks and branches and extensions of existing roads, may be established in the first instance on not less than 10 days' notice. Such rates when established may be changed only in accordance with the act, except that where, by reason of the establishment of local rates between points on a newly constructed line as defined in this section, combination through rates have become effective between points on said line and points on other lines of the same or other carriers, such combination through rates may, within 60 days after the effective date of the local rates between points on said newly constructed line, be displaced on not less than 10 days' notice by other rates, through or combination, which produce lower charges than such combination rates.

(b) *Tariff notation when rates established in first instance.* A tariff or supplement establishing rates, charges, classifications, rules, or regulations in the first instance under authority of this section must contain the following notation on its title page, except that if only a portion of the rates, charges, classifications, rules, or regulations in such publications are established under authority of the rule the notation must be shown in connection with such rates, charges classifications, rules, or regulations:

Issued on 10 days' notice, authority rule 57, Tariff Circular 20. Rates established in the first instance (from, to, between, via, or at, as case may be) stations on railroads (or pipe line or reached by water carrier, as case may be).

(c) *Tariff notation for subsequent publications.* A tariff or supplement which changes combination rates from, to, or via points on a newly constructed line as provided in paragraph (a) of this section must contain the following notation on its title page, except that if only a portion of the rates, charges, classifications, rules, or regulations in such publication are established under authority of the rule, the notation must be shown in connection with such rates, charges, classifications, rules, or regulations:

Issued on 10 days' notice, authority rule 57, Tariff Circular 20. Rates established (from, to, between, via, or at, as case may be) stations on railroad (or pipe line or reached by water carrier, as case may be). Local rates first established (from, to, between, via, or at, as the case may be) such stations in ——— ICC No. ——— effective ——— (date).

(d) *Rates established may not be reduced by similar rates.* When class rates have been established from, to, or between points on a newly constructed line, different class rates from, to, via, or between the same points may not be established at a later date under authority of this section; and when a commodity rate has been established from, to, via, or between points on a newly constructed line, a different commodity rate from, to, via, or between the same points may not be established at a later date under authority of this section; but commodity rates may be established under authority of this section within the 60-day period prescribed herein notwithstanding class rates may have been established between the same points. Interested carriers and publishing agents should be notified as much in advance of the opening of a newly constructed line as is possible in order that rates may be established which will give carriers and shippers fullest possible use of such newly constructed lines.

(e) *Rates from, to, or via points reached by pipe line or water carrier.* Rates from, to, via, or at points reached via newly laid pipe lines and from, to, via, or at ports reached by water carriers when new water service has been inaugurated may be established or changed in like manner and upon like notice to that provided for newly constructed lines of railroad in paragraphs (a) to (d) of this section.

§ 1300.58 Applications under section 6 for authority to make changes in tariffs.

(a) *Rates changed on less than statutory notice.* Section 6 of the act authorizes the Commission in its discretion and for good cause shown, to permit changes in rates on less than statutory notice. The Commission will exercise this authority only in cases where actual emergency and real merit are shown. Desire to meet the rates of a competing carrier which has given the full statutory notice of change in rates will not of itself be regarded as good cause for allowing changes in rates on a notice of less than 30 days. Clerical or typographical errors in tariffs constitute good cause for the exercise of this authority, but every application based thereon must plainly specify the omissions or mistakes together with a full statement of the circumstances attending such omission or error and must be presented with reasonable promptness after issuance of the defective tariff.

(b) *Authority necessary to make applications.* Applications for permission to establish rates, rules, or regulations on less than statutory notice, or for waiver of the provisions of Tariff Circular 20 (this part) must be made by the agent or carrier that holds authority to file the proposed changes. If the application requests permission to make changes in joint tariffs it must state that it is filed for and on behalf of all carriers parties to the proposed change.

(c) *Permission will not issue to modify formal orders.* Frequently carriers file sixth section applications requesting authority to make changes on short notice when a formal order of the Commission required publication on 30 days' notice. Such requests in effect are requests for modification of the formal order and should be filed as petitions on the formal docket for modification of the order and not as applications under the sixth section.

(d) *Partial use of permission prohibited.* Instances have occurred where carriers or their agents have not used the full authority extended by special permissions. When passing upon sixth-section applications the Commission gives consideration to all of the facts and circumstances set forth in the application and if approved the special permission is issued with the understanding that all of its terms are to be complied with and that all the authority dealing with the same subject matter will be used. Therefore, if all related matter authorized by special permissions will not be established and more limited authority is desired a new application complying with the provisions of this section in all respects and making reference to the previous authority must be filed.

(e) *Applications in duplicate.* Applications (including amendments thereto and exhibits made a part thereof) for permission to change rates, rules, or regulations, on less than statutory notice or for waiver of the provisions of Tariff Circular 20, (this part) shall be made in duplicate, shall be addressed to the Interstate Commerce Commission, and shall be sent to the Secretary, Interstate Commerce Commission, Washington, D.C. 20423. Such applications shall be made on paper 8 by 10½ inches, shall be in the following form, shall give the information required by that form, shall be numbered consecutively and must bear the signature of the president, vice president, traffic manager, assistant traffic manager, general freight agent, or a duly authorized attorney and agent, specifying title.

FORM OF APPLICATION

————————————————————

(Name of carrier in full)

————————, 19——.

(Place and date)

TO THE INTERSTATE COMMERCE COMMISSION,
Washington, D.C. 20423:

The ———— (Name of carrier), by ———— (Name of officer) its ———— (Title of officer) does hereby respectfully petition the Interstate Commerce Commission that it be permitted, under section 6 of the Interstate Commerce Act, as amended, to put in force the following rates (or rules or regulations) to become effective ———— days after the filing thereof with the Interstate Commerce Commission

————————————————————

————————————————————

(State fully, either specifically or by reference to an accompanying exhibit, the rates (or rules or regulations) which it is desired to put into effect, the articles upon which they are to apply and the points of origin and destination. If permission is sought to establish a rule or regulation the exact wording of the proposed rule or regulations must be shown)

Your petitioner further represents that the said rates (or rules or regulations) above mentioned will be published in Tariff ICC No. —— (or in a consecutively numbered supplement to ICC No. ——), and will supersede and take the place of the rates (or rules or regulations) on like traffic from and to the points above named which are set forth in Tariff ICC No. —— (or supplement) on file with the commission.

——————————————————————

——————————————————————

(Here state, either specifically or by reference to an accompanying exhibit, the present rates (state whether class, commodity or combination), rules, or regulations, together with the ICC numbers in which published and the effect of the proposed change)

——————————————————————

——————————————————————

(State names of all carriers publishing rates on the commodity or commodities covered by the application between the same or related points and the ICC numbers of tariffs containing such rates)

——————————————————————

——————————————————————

(State whether or not the proposed rates or rules or regulations, including the request to establish on less than statutory notice have been called to the attention of such carriers and their views thereon)

——————————————————————

——————————————————————

(State the basis on which the proposed rates are constructed, if the application seeks less than statutory notice)

——————————————————————

——————————————————————

(State the relationship existing between points of origin and destination covered by the application, and any point or points of origin or destination not covered by said application, if the application seeks less than statutory notice)

——————————————————————

——————————————————————

(State what relationship, if any, the rates on the commodity or commodities covered by the application bear to rates on other commodities if the application seeks less than statutory notice)

And your petitioner further bases such request upon the following facts, which present certain special circumstances and conditions justifying the request herein made:

——————————————————————

——————————————————————

(State fully all other circumstances and conditions which are relied upon as justifying the application and which may aid the commission in determining the question presented. If short notice is requested, state why the change was not established upon statutory notice)

——————————————————————

(Corporate name of carrier)

By ——————————————————

(Name and title of officer)

Subscribed and sworn to before me this ——— day of ——————, 19—.

(Only the original need be executed)

——————————

Notary Public

When an application is made by an agent, appropriate change should be made in the introductory and closing paragraphs of the form.

§ 1300.59 Diversion or reconsignment privileges and rules.

(a)(1) Frequently a shipper desires to forward a shipment to a certain point and have the privilege of changing the destination or consignee while shipment is in transit or after it arrives at destination to which originally consigned, and to forward it under the through rate from point of origin to final destination which generally is lower than the combination of intermediate rates.

(2) Such services are of value to the shipper. If they are granted, carriers' tariffs shall so state in terms that are not open to misconstruction, and shall also state clearly the conditions under which they may be used and the charges that will be made therefor.

(b) Some carriers do not consider a change of consignee which does not involve a change of destination as a reconsignment, while others do consider it a reconsignment and charge for it as such. The Commission holds the view that when not specifically qualified in tariffs, the terms "reconsignment" or "diversion" include changes in destination, routing, consignor or consignee. If carrier wishes to distinguish between such changes in its privileges or charges it must so specify in its tariff rules.

§ 1300.60 Free transportation of caretakers in connection with shipments of property.

(a) Section 1(7) of the Interstate Commerce Act provides that free transportation may be furnished "to

necessary caretakers of livestock, poultry, milk, and fruit." This provision in the statute is construed to mean necessary caretakers of livestock, poultry, milk, or fruit that is loaded and ready for movement, or the movement of which is actually contracted for or that is actually in transit, and may include free or reduced-fare transportation for the return of such necessary caretakers. This transportation may be in the form of free pass or reduced-fare transportation, but in any event it must be the same for all under like circumstances. Authority for such free or reduced transportation must be published in the tariff governing the transportation of the commodity, which must also contain such policing regulations as will prevent the misuse of this provision. Tariffs may provide that caretaker sent out to return with shipment that is arranged for or that is in transit will be required to pay fare going and that such fare will be refunded if person so sent does return as actual caretaker of shipment for which he is sent. But a tariff rule which provides that if a person goes out over the line with the intention of purchasing livestock and returns within a certain time with a certain number of cars of livestock, the carrier will refund to him the fare paid on outgoing trip is improper and unlawful.

(b) The Commission is of the opinion that the term "fruit" as used in this section includes perishable vegetables, and that bees in hives and live fish may be included in the term "livestock" when shipped under conditions that make caretakers "necessary."

(c) When an express company provides in its tariff for free transportation for caretakers in charge of livestock, poultry, milk, or fruit, and the railroad company over whose lines such express company operates provides in its tariff that such caretakers may be permitted to ride in passenger car, the tariff of the express company and that of the railroad company must give reference to each other.

§ 1300.61 Demurrage on interstate shipments.

(a) The act requires that carriers shall publish, post and file tariffs containing terminal or other charges and all rules or regulations which in any wise change, affect, or determine the value of the service rendered to the shipper or consignee. Such terminal charges include demurrage charges.

(b) Demurrage rules and charges applicable to interstate shipments are governed by the act and therefore are within the jurisdiction of the Interstate Commerce Commission and not within the jurisdiction of State authorities.

(c) Demurrage rules and charges published and filed must be observed as strictly as transportation rules and charges. Such charges are controlled by the tariffs in effect contemporaneously with the accrual of the service, and therefore are subject to such changes as may be made in the applicable tariffs during the period of accrual.

CROSS REFERENCE: For regulations concerning posting tariffs at stations, see Part 1305 of this chapter.

§ 1300.62 [Reserved]

§ 1300.63 Transportation of circus outfits.

Rates for specified movements of circuses and other show outfits may be established on not less than 1 day's notice to the Commission. Such tariffs must bear reference to this rule and must publish the charges specifically, showing the number and kind of cars moved, or may consist of a proper title page reading "as per copy of contract attached," and to it may be attached a copy of the contract under which the circus is moved. Tariffs containing such rates need not be posted at stations. As far as practicable, general rules or regulations governing the fixing of such rates should be regularly published, posted, and filed upon statutory notice.

§ 1300.64 In absence of routes, rates apply via lines parties to tariffs.

If a tariff contains no routing direction the joint rates shown therein are applicable between the points specified via the lines of any and all carriers that are parties to the tariff; and shipper must not be required to pay higher charges than those stated in the tariff because the carriers have not agreed divisions of the rates via the junction through which the shipment moves. If agent of carrier bills or sends shipment via a route or junction point that is covered by the tariff but via which no division of the rate applies, it is for the carriers to agree between themselves upon the division of the rate.

§ 1300.65 Fourth-section departures resulting from changes in official, southern, western, and Illinois classifications.

(a) The attention of the Commission was called to the fourth-section difficulties that confronted carriers in making classification changes. The Commission is impressed with the desirability of having proper classification changes promptly made. In order to facilitate the publication of such changes, carriers will be permitted to publish the rule set forth next below in the official, southern, western, and Illinois classifications, respectively, subject to the conditions hereinafter stated:

> The classification changes made herein may create fourth-section departures not authorized by amended fourth-section Order No. 144. (See note.) If any such departures are brought to the attention of carriers parties to this publication in connection with rates applicable on traffic of which there is a present or prospective movement, such departures, under the authority of rule 65, Tariff Circular No. 20 or reissues thereof, will be corrected on 1 day's notice to the Commission and the public by reducing any higher rate or charge on like property that may be applicable for a shorter than for a longer haul as a result of such change to the amount of the rate or charge applicable on like traffic for the longer haul, or by reducing any through rate or charge which is higher than the aggregate of the intermediate rates or charges subject to the Interstate Commerce Act to the amount of such aggregate of intermediate rates or charges.
>
> Publication of such reduced rate or charge will be made within 60 days after such rate or charge comes to the carrier's attention. Carriers parties hereto further agree that on all shipments on which rates or charges are collected which are higher for shorter hauls than those applicable on like traffic for longer hauls over the same line or route in the same direction, the shorter being included within the longer, or which are higher than the aggregate-of-intermediate rates or charges, in situations not authorized by amended fourth-section Order No. 144, application will be made promptly to the Interstate Commerce Commission for authority to make reparation to the basis of the rate or charge applicable for the longer haul or to the basis of the aggregate of intermediate rates or charges, as the case may be, in effect on the date of shipment.
>
> NOTE: Fourth-section Order No. 144 authorizes carriers to make changes in official, southern, western, and Illinois classification ratings, rules, or regulations without observing the long-and-short-haul clause of the Interstate Commerce Act in instances where class rates are protected by applications filed on or before February 17, 1911, or by outstanding fourth-section orders.

(1) The foregoing notice may be incorporated in the official, southern, western, and Illinois classifications only, as a separately numbered rule, and reference to such rule must be made on the title page of each supplement to the current issues of those classifications which contain changes and on the title page of succeeding issues of those classifications, by the following notation in bold-face type:

> Concerning the correction of fourth-section departures resulting from changes in this classification (or "these classifications") see rule ——.

(2) The wording specified above, both for the notice to be incorporated as a classification rule and the supplementary notation to be shown on the title page, must be strictly adhered to, and no modifications thereof will be permitted.

(b) The failure of any carrier availing itself of the use of this rule to publish and file reduced rates and thereafter to apply for authority to make reparation as herein provided will be considered as sufficient ground for the issuance of an amendment to the rule prohibiting its use by or on behalf of such carrier.

§ 1300.66 Minimum carloads.

(a) *Weights for cars of varying dimensions.* (1) Carriers provide cars of varying dimensions and capacities, and they provide minimum weights for the several kinds of cars based upon those dimensions and capacities. At times when transportation facilities are inadequate to supply the demand upon them it frequently is difficult or impossible for the carrier to furnish a shipper with a car of the dimensions or capacity desired by him, although the carrier has in its tariffs provisions for the use of such car. Manifestly it is not equitable or proper to require the would-be shipper to pay additional transportation charges for the privilege of using a car of different dimensions or capacity from that which would suit his shipment or forego entirely his desire to ship.

(2) Some carriers provide elastic rules which properly permit the use of cars of different dimensions or capacities when they are furnished by the carrier in lieu of those ordered by the shipper, while other carriers do not so provide, and as a result instances arise in which the initial carrier under such provision furnishes the shipper with car at its convenience, and connecting carriers that have not adopted similar provisions assess higher charges in accordance with their tariffs, thus imposing upon the shipper a wholly unexpected and, in the view of the Commission, unreasonable charge.

(3) The Commission believes that when tariffs provide minimum weights which vary with the size of capacity of the car, it is the duty of the carrier to incorporate in such tariffs a rule to the effect that when a car of the dimensions or capacity ordered by the shipper cannot be promptly furnished, and when the carrier for its own convenience does provide a car of greater dimensions or capacity than that ordered, such car may be used on the basis of the minimum carload fixed in the tariffs for cars of the dimensions or capacity ordered by the shipper, provided the shipment could have been loaded into or upon car of the capacity or size ordered; and that if a car of smaller capacity than that ordered by the shipper is furnished, it may be used on the basis of actual weight when loaded to its capacity, or that that portion of the shipment which cannot be loaded into the smaller car will be taken in another car and the shipment treated as a whole on the basis of the minimum fixed for the car ordered by the shipper; and that if the carrier is unable to furnish a car of large dimensions, ordered by shipper, it may furnish two smaller cars which may be used on the basis of the minimum fixed for the car ordered; it being understood that shipper may not order a car of dimensions or capacity for which a minimum is not provided in the carrier's tariffs.

(4) In all such cases the capacity of the car ordered, the date of such order, the number, initials, and capacity of the car furnished should be stated on the bill of lading and the carrier's waybill.

(5) In case of controversy between shippers and carriers caused by the absence of such rule from tariffs which provide graduated minima for cars of different sizes the Commission will regard such tariffs as prima facie unreasonable.

(6) It is the duty of carriers to provide reasonable facilities for transportation, and if they cannot furnish equipment to move the carloads provided for in their regulations it is clearly their duty to provide some other method of transporting as one shipment, and at the rate named therefor, such carload weight when tendered by shipper.

(b) *Minimum carload weight is part of rate; through carload minimum; new cars.* (1) The minimum weight upon which carload rate is based is a part of the rate, because the charges on a shipment of a weight less than the minimum, are determined by such minimum weight. The publication, posting, and filing of the rate and of the minimum weight are therefore equally necessary.

(2) Where two or more carriers publish a joint through rate they must publish in connection therewith one carload minimum weight for the through movement under that rate, except that joint through rates made up in combination on a specific base point may be published, subject to one minimum weight in connection with the specified portion of the rate up to the base point and to a different minimum weight in connection with the specified portion of the rate beyond the base point. (See § 1300.4(i).)

(3) Carriers' mechanical departments have rules providing that a new car shall not be loaded to its full capacity on its first trip. Such rules generally provide that a car on its first

trip shall not be loaded to more than 75 percent of its capacity, or of the minimum weight fixed in the tariff and that charges shall be based on such lower minimum. The lawful charges are those published in tariffs filed with the Commission. Therefore if such a rule is used it must be published in carriers' tariffs.

§ 1300.67 Export and import traffic—ocean carriers.

(a) *Ocean carriers not subject to Act.* Common carriers by water, or conferences of such carriers, engaged in the foreign commerce of the United States, as defined in the Shipping Act, 1916, that operate between ports of the United States and foreign countries are not subject to the terms of the Interstate Commerce Act or to the jurisdiction of the Interstate Commerce Commission.

(b) *Through routes and joint rates.* (1) A common carrier by railroad, pipeline, or water, or a common carrier by railroad jointly with a common carrier by motor vehicle, subject to the Interstate Commerce Act (hereinafter referred to in this section as the domestic carrier), may establish a through route and joint rate with a vessel-operating common carrier by water engaged in the foreign commerce of the United States (hereinafter referred to in this section as the ocean carrier), as defined in the Shipping Act, 1916, for the transportation of property between any place in the United States and any place in a foreign country. Every tariff naming such a through route and joint rate shall be filed with this Commission. The tariff may be filed in the name of the ocean carrier, a conference of ocean carriers, the domestic carrier or the duly appointed tariff publishing agent of such carriers.

(2) The tariff shall be constructed, filed, and posted in conformity with the Interstate Commerce Act, and, except as otherwise specifically authorized, with the regulations in Parts 1300 and 1305 (regulations in both parts included in Tariff Circular No. 20) of this chapter. The tariff shall be printed in the English language, include the names of all participating carriers, a description of the services to be performed by each participating carrier, a statement of the joint rate, and a clear and definite statement of the division, rate, or charge to be received by the domestic carrier for its share of the revenue covering a through shipment or aggregate of shipments under the tariff. The division, rate, or charge accruing to the domestic carrier must be shown in terms of lawful money of the United States. If shipments and/or loaded containers are to be permitted to be aggregated which are rated under more than one tariff published by the carrier or for its account, each tariff so affected must contain a specific rule, providing for the aggregation in connection with the statement of the domestic carrier's divisions and identifying by ICC designation each of the other tariffs. A tariff filed in the name of a conference need not show "Agent" after the name of the conference unless the conference publishes as an agent. If a tariff provides less-than-carload, less-than-container-load, or less-than-trailerload service, such service must be defined. If the tariff provides containerload rates, such rates must be made subject to a specified minimum weight or minimum measure per container, or a specified minimum charge per shipment per container, and a maximum weight per container. Where the freight is to be packed (loaded) or unpacked (unloaded) into or from the containers by the domestic carrier, the tariff must clearly state that the joint rate includes this service or must provide a separate charge to apply when said service is provided.

(3) Rates or charges may be stated to apply in a unit other than a United States unit provided the unit is defined in the tariff where used. The International System of Units (SI) (the metric system) may be used and need not be defined. A rate or charge applying on a unit of measurement other than weight may be published, but if the tariff also includes a rate or charge applying on a unit of weight on the same traffic, the charges on the weight basis must alternate with the charges on the measurement basis other than weight. In every case the tariff shall provide a definite method

for determining the measurement of the shipment and the applicable charges. "Cargo, N.O.S." may be provided as a commodity description provided the term is clearly defined in the tariff where used. Tariffs governing the application of the rate tariff need not show a carrier as a participant when none of the provisions therein apply for such carrier's account.

(4) Allowances, cargo administrative charges, or reductions shall not be provided for payment to shippers or other parties for services performed by or facilities furnished by other than the carriers parties to the through transportation unless (i) such carriers by tariff publication hold themselves out to perform such services and furnish such facilities, (ii) such carriers are able to perform such services and furnish such facilities upon reasonable demand, and (iii) the performance of such services and furnishing of such facilities are included in the through joint rate or charge. This subparagraph does not apply where such provisions do not affect the division, rate, or charge accruing to the domestic carrier or the services performed by such carrier.

(5) A domestic carrier desiring to become a participant in a tariff filed in the name of a conference of ocean carriers, which conference does not publish as an agent, must give to its connecting ocean carrier participating in such conference tariffs a concurrence in tariffs issued and filed by the ocean carrier or the conference, or both. A limited concurrence may provide for only those limitations authorized in § 1300.19 of this chapter. The concurrence forms prescribed by § 1300.19 shall be modified to show that the authority extends to amendments to the tariff(s) and extends to tariffs filed in the name of the conference, and to show the types of tariffs (such as tariffs containing joint rail-ocean rates, joint rail-motor-ocean rates, et cetera) in which the domestic carrier desires to participate. Powers of attorney must not be executed unless the conference publishes as an agent.

(6) The following changes may be published to become effective upon a specified date not prior to the date filed with the Commission in Washington, D.C., provided the division, rate, or charge accruing to the domestic carrier or a provision governing or affecting such division, rate, or charge does not change.

(i) A change in a published rate, charge, rule, regulation, or other provision which results in a reduction or in no change in charges. This includes a change in a rate or charge which results in lessening or canceling a proposed (published but not yet effective) increase.

(ii) The establishment of a rate on a specific commodity not previously named in a tariff which results in a reduction or in no change in charges. The tariff must contain a cargo, N.O.S. rate or similar general cargo rate, which rate would otherwise be applicable to the specific commodity. The specific commodity rate must be equal to or lower than the cargo, N.O.S. or general cargo rate.

(iii) Except as otherwise provided in this paragraph, no new or initial rate, charge, rule, regulation, or other provision and no new point of origin or destination may be published upon less than 30 days' notice. In no case may the establishment of or a change in a division, rate, or charge accruing to the domestic carrier or a provision governing or affecting such division, rate, or charge become effective upon less than 30 days' notice.

(7) If a tariff includes charges for terminal services, canal tolls, or additional charges not under the control of the carrier or conference, which carrier merely acts as a collection agent for the charges, and the agency making such charges to the carrier increases the charges without notice or without adequate notice to the carrier or conference, such charges may be increased in the tariff by specific publication effective upon a specified date not prior to the date filed with the Commission, in Washington, D.C., whether included in the joint rate or separately stated. If the change occurs in the division, rate, or charge accruing to the domestic carrier, the amendment must contain a statement explaining the change.

(8) Every change made under authority of § 1300.67(b) (6) or (7) must

be shown in an amendment (a supplement if the tariff is in bound form or a loose-leaf page if the tariff is in loose-leaf form) to the tariff. The rates, charges, rules, regulations, or other provisions authorized to be changed thereunder may be changed without their having been effective for 30 days prior to the effective date of the change.

(9) The regulations in § 1300.9(k)—Suspension of Tariff Schedules—shall govern only when the operation of the division, rate, or charge accruing to the domestic carrier or any provision governing the division, rate, or charge or the service performed by such carrier is suspended by an order of this Commission.

(10) The following reference marks may be used in the exact form shown for the purposes indicated and may not be used for any other purpose:

(R) to denote reductions.

(A) to denote increases.

(C) to denote changes in wording which result in neither increases nor reductions in charges.

An explanation of these reference marks must be provided in the tariff in which used.

(c) *Port combination basis.* Domestic and ocean carriers may enter into joint rate arrangements, as authorized by paragraph (b) of this section, and domestic carriers may at the same time maintain in effect rates applicable only from and to the ports, usable in combination with ocean carriers' independently established rates. Publication of such rates by the domestic carrier shall be subject to the following:

(1) The domestic carriers shall file their rates to the ports and from the ports, and such rates must be the same for all, regardless of which ocean carrier may be designated by the shipper, except as otherwise provided by section 28 of the Merchant Marine Act (41 Stat. 988, 46 U.S.C. 884).

(2) When the domestic carriers publish rates which are indicated to apply only on export or import traffic, the tariffs containing such rates shall specify by inclusion or exclusion the countries to or from which traffic subject to such rates shall move, regardless of whether such countries are, or are not, adjacent to the United States. Tariffs shall also specify whether or not properly destined to or from which traffic subject to such the Commonwealth of Puerto Rico, Guam, Hawaii, or the Canal Zone is subject to such rates. In the absence of a statement in tariffs limiting the application of export or import rates, such rates will apply on traffic destined to or coming from them.

(3) As a matter of convenience to the public, the domestic carriers may also publish as information in their tariffs the ocean carriers' rates or charges that will apply to or from a foreign country in connection with the domestic carriers' rates. When this is done, the ocean carriers' rates or charges are in no manner subject to the jurisdiction of this Commission, but the rates of the domestic carriers applying to or from the ports are subject to all provisions of the Interstate Commerce Act and to this Commission's regulations.

(d) *Through export and import billing.* Export and import shipments may be forwarded under through billing. Through bills of lading must clearly separate the liability of the carriers included therein, where different, and must show (1) the tariff rates or charges of the domestic carriers to or from the port or (2) the joint rates or charges when such rates or charges are established and are named in tariffs on file with this Commission as provided in paragraph (b) of this section. The name of the domestic carrier shall appear in a prominent place on the face of the bill of lading when that carrier originates the shipment. Tariffs which provide for the use of a specified kind of bill of lading shall reproduce all of the terms and conditions thereof.

CROSS REFERENCE: For regulations governing the posting of freight tariffs of common carriers by rail, water, and pipeline, including tariffs containing joint motor-rail or motor-rail-water rates, see Subpart A of Part 1305 of this chapter.

[41 FR 9352, Mar. 4, 1976]

§ 1300.200 Alternation of through rates with aggregate of intermediate rates.

(a) In order to facilitate the application of rates which will be in accord with the aggregate-of-intermediates

provision of the fourth section of the act, common carriers by railroad and their duly appointed tariff publishing agents may depart from the terms of §§ 1300.4(h) and (i) and 1300.7(b) (Rules 4(h), 4(i), and 7(b) of Tariff Circular No. 20) for the purpose of incorporating in tariffs naming rates and charges for the transportation of property the following rule in lieu of the rule authorized in § 1300.56 (Rule 56 of Tariff Circular No. 20):

> If on any shipment an aggregate-of-intermediate local, joint and/or proportional interstate rates constructed via a route over which the through rate published in this tariff is applicable produces a lower charge than the through rate, such aggregate of rates will apply via all routes authorized in this tariff and the through rate has no application to any such shipment via any of those routes.

Common carriers by railroad and their duly appointed tariff publishing agents when publishing the foregoing rule may provide for its nonapplication to rates on particular descriptions of traffic, in which event, as to such rates, the rule authorized in § 1300.56 may be used.

(b) Publications issued hereunder shall make specific reference hereto as authority for tariff circular departure by using the following notation:

> Rules 4(h), 4(i), and 7(b) of Tariff Circular No. 20 waived; ICC Permission No. 16500.

(c) This permission does not modify any outstanding formal orders of the Commission nor waive, except as herein authorized, any of the requirements of its rules relative to the construction and filing of tariff publications. This permission shall continue in force and effect until otherwise ordered by the Commission.

PART 1330—FILING QUOTATIONS FOR GOVERNMENT SHIPMENTS AT REDUCED RATES

Sec.
1330.1 Applicability.
1330.5 Manner of submitting quotations.

§ 1330.1 Applicability.

The provisions of this part shall apply to copies of quotations or tenders made by all common carriers by railroad, including express and sleeping-car companies, by pipeline, by motor vehicle, and by water, and freight forwarders, to the United States Government, or any agency or department thereof, for the transportation, storage or handling of property or the transportation of persons free or at reduced rates as permitted by section 22 of the Interstate Commerce Act, as amended, except quotations or tenders which, as indicated by the United States Government or any department or agency thereof to any carrier or carriers, involves information the disclosure of which would endanger the national security.

(Sec. 12, 24 Stat. 383, sec. 22, 24 Stat. 387; 49 U.S.C. 12, 22)

[32 20621, Dec. 20, 1967]

§ 1330.5 Manner of submitting quotations.

(a) *General.* Copies of all quotations or tenders by common carriers to which this part applies, concerning rates, fares, or charges for the transportation, storage, or handling of property, or the transportation of persons free or at reduced rates, including quotations or tenders for retroactive application whether negotiated or renegotiated after the services have been performed, which are submitted to the Interstate Commerce Commission on and after the effective date of this part in conformity with the provisions of paragraph (2) of section 22 of the Interstate Commerce Act (49 U.S.C. 22) shall conform to the provisions of paragraphs (b), (c), (d), (e), (f) and (g) of this section.

(b) *Copies to be submitted concurrently with submittal to government agencies.* Exact copies of the quotation or tender shall be submitted to the Commission concurrently with the submittal of the quotation or tender to the Federal department or agency for whose account the quotation or tender is offered or the proposed services are to be rendered.

(c) *Filing in duplicate required.* All quotations or tenders shall be filed in duplicate, one copy of which will be maintained at the Washington office of this Commission for public inspection. One of such copies shall be signed and both shall clearly indicate the name and official title of the officer executing the document.

(d) *Filing procedure.* Both copies of the quotations or tenders shall be filed together with a letter of transmittal which clearly indicates that they are being filed in accordance with the requirements of section 22, as amended. They must be addressed to the "Interstate Commerce Commission, Washington, D.C. 20523," with the envelope marked as containing "Section 22 Quotations", and delivered free of all charges. If receipt for the accompanying documents is desired, the letter of transmittal must be sent in duplicate, and one copy showing date of receipt by the Commission will be returned to the sender.

(e) *Numbering.* The copies of quotations or tenders which are filed with this Commission by each carrier or agent shall be numbered consecutively in a series maintained by such carrier or agent beginning with the number "1".

(f) *Quotation or tender superseding prior one.* A quotation or tender which supersedes a prior quotation or tender shall, by a statement shown immediately under the number of the new document, cancel the prior document by number.

(g) *Amendments or supplements to quotations or tenders.* When amendments or supplements are filed to quotations or tenders issued prior to August 31, 1957, copies of the original quotations or tenders, and any prior amendments thereto, must be filed with the amendments or supplements.

(Sec. 12, 24 Stat. 383; Sec. 22, 24 Stat. 387; 49 U.S.C.12, 22)

[32 FR 20621, Dec. 20, 1967]

PART 1331—SECTION 5a APPLICATIONS

APPLICATIONS FOR AUTHORITY TO ESTABLISH OR CONTROL AGREEMENTS BETWEEN OR AMONG CARRIERS

Sec.

1331.1 Form and contents of application.
1331.2 Required exhibits.
1331.3 Procedure.
1331.4 New parties to an agreement.
1331.5 Public notice.

AUTHORITY: Sec. 12, 24 Stat. 383, as amended; 62 Stat. 472; 49 U.S.C. 5b, 12.

SOURCE: 32 FR 20621, Dec. 20, 1967, unless otherwise noted.

APPLICATIONS FOR AUTHORITY TO ESTABLISH OR CONTROL AGREEMENTS BETWEEN OR AMONG CARRIERS

§ 1331.1 Form and contents of application.

The application and supporting exhibits shall conform to Rule 15 of the general rules of practice (§ 1100.15 of this chapter) and shall show, in the order indicated, with the following paragraph designations, the following information:

(a) Full and correct name and business address (street and number, city and ZIP Code, county and State) of the carrier applicant or applicants (hereinafter called applicant); whether applicant is a corporation, individual, or partnership; if a corporation, the government, State or territory under the laws of which the applicant was organized and received its present charter, and if a partnership, the names of the partners and date of formation of the partnership.

(b) Full and correct name and business address (city and State) of each carrier on whose behalf the application is filed and whether it is a corporation, individual, or partnership.

(c) Whether applicant and each carrier on whose behalf the application is filed is a carrier by railroad, motor vehicle, or water, a freight forwarder, or express, sleeping-car, or pipe-line company.

(d) If the agreement of which approval is sought pertains to a conference, bureau, committee, or other organization, a complete description of such organization, including any subunits, and of its or their functions and methods of operation, together with a description of the territorial scope of such operations; and, if such organization has a working or other arrangement or relationship with any other organization, a complete description of such arrangement or relationship. If the agreement is of any other character, a precise statement of its nature and scope and the mode of procedure thereunder.

(e) The facts and circumstances relied upon to establish that the agreement will be in furtherance of the national transportation policy declared in the Interstate Commerce Act, as amended.

(f) The name, title, and post office address of counsel, officer, or other person to whom correspondence in regard to the application is to be addressed.

§ 1331.2 Required exhibits.

There shall be filed with and made a part of each original application, and each copy, the following exhibits:

(a) As Exhibit 1, a true copy of the agreement.

(b) As Exhibit 2, if the agreement pertains to a conference, bureau, committee, or other organization, a copy of the constitution, by-laws, or other documents or writings, specifying the organization's powers, duties, and procedures, unless incorporated in the agreement filed as Exhibit 1.

(c) As Exhibit 3, if the agreement relates to a conference, bureau, committee, or other organization, an organization chart.

(d) As Exhibit 4, if the agreement relates to a conference, bureau, committee, or other organization, a schedule of its charges to members or, where expenses are divided among the members, a statement showing how the expenses are divided.

(e) As Exhibit 5, opinion of counsel for applicant that the application made meets the requirements of law as set forth in section 5a of the Interstate Commerce Act, as amended, and will be legally authorized if approved by the Commission, with specific reference to any specially pertinent provisions of articles of incorporation or association.

§ 1331.3 Procedure.

The following procedure shall govern the execution, filing, and disposition of the application:

(a) The original application shall be made under oath and shall be signed in ink by applicant, if an individual; by all partners, if a partnership; and if a corporation, by an executive officer having knowledge of the matters therein contained; and shall show, among other things, that the affiant is duly authorized to verify and file the application.

(b) The original application and supporting papers and twenty copies thereof for the use of the Commission shall be filed with the Secretary of the Interstate Commerce Commission, Washington, D.C. 20423. Each copy shall bear the dates and signatures that appear in the original and shall be complete in itself, but the signatures in the copies may be stamped or typed, and the officer's seal may be omitted.

(c) A copy of the application shall be served by applicant by first-class mail upon the regulatory body having jurisdiction as to rates, fares, or charges of each State, territory, or district embraced within the scope of the agreement, and the original application filed with the Commission shall include a certificate naming the bodies upon whom the application has been so served.

(d) A public notice will be issued by the Commission and filed with the Director of the Federal Register stating the fact that an application has been filed under these rules and indicate how a hearing on such application may be obtained.

(e) A protest against the granting of an application should be filed in accordance with Rule 40 of the general rules of practice (§ 100.40 of this chapter).

(f) To the extent that matters of procedure are not covered by these special rules, the Commission's general rules of practice shall apply.

§ 1331.4 New parties to an agreement.

Where a carrier becomes a party to an agreement which has been approved by the Commission, such approval will extend and be applicable to such carrier upon the filing with the Commission by the carrier or its authorized agent of a verified statement that it has become a party to the agreement, which statement shall show the information required by § 1331.1(b): *Provided* (a) That such carrier is not, under the agreement, to act with carriers of a different class, within the meaning of section 5a (4) of the Interstate Commerce Act, except as the agreement relates to transportation under joint rates or over through routes, and (b) that no change is made in the agreement except the addition of such carrier.

§ 1331.5 Public notice.

When independent action is announced and tariff publication is to be made by a publishing agent operating pursuant to an agreement under section 5a of the Interstate Commerce Act, notification thereof will be given by the agent to the same extent and in the same manner that the agent gives notice of actions proposed under procedures for collective consideration of the parties to the agreement; and no other joint or collective procedures under the agreement are thereby invoked.

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